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The Nation's Business

Imperial Conference Will Stress Problems of World Trade

Canada's Attitude on Defense

Class-conscious War Charities

Communist Paper Hails Support of C.I.O.

Empire Parley Goes to Work

THE pageantry at London has reached its peak and will taper off to the normal routine of the life of kings and commoners. Now the Empire statesmen gathered in London will get down to serious business. And they have plenty of work to do.

On the agenda is the subject of Imperial defense. A dilemma is faced. How can the British nations present a united front to the world? How can they indicate that they stand for and will fight for a common purpose? How can they, at the same time, not appear to bluster and challenge and not appear to involve the self-governing Dominions in commitments which are inconsistent with their necessary freedom of action in any crisis? Previous conferences have faced similar problems and have not found them beyond their capacity.

So far as Canada is concerned, Mr. King will no doubt endeavor to show that this country is going farther in carrying the burden of its own defense than it has ever gone before in peace time, and that Canada's defense measures fit neatly into both Imperial and American defense programmes. Undoubtedly he will take the stand that Canada should not go farther than that in contributing to any common Imperial defense programme. He will indicate that Canada's defense needs are not the same as those of more isolated parts of the Empire.

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ON THE agenda, too, is the subject of world trade. The system of Imperial preference will have to be weighed. The representations of the British Liberals and United States statesmen that Imperial preference is too exclusionist in character, and therefore presents a large obstacle to increasing world trade, will be considered. The widespread opinion in the world that the Ottawa agreements of 1932 sought to "freeze out" non-British countries from Empire markets cannot be ignored. The Dominions are, apparently, willing to make some concessions in preferential arrangements to permit a United Kingdom-United States trade treaty to be signed but they will at the same time ask the United States to compensate them in her own market.

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IF THE way can be cleared for an Anglo-American trade accord, a great step toward world recovery will have been taken, for such a treaty would be a challenge to the world to restore the former basis of world trade and thus promote higher standards of living in every country.

The Empire countries seek peace, therefore they must seek trade peace, for the threat of war arises out of economic causes. An invitation to the world to tone down economic rivalries may come out of the London discussions.

Another striking move is possible. The United Kingdom may offer to the world a great challenge to peace in the form of a more open door in the Crown colonies for traders and investors of other nations.

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THERE are other issues before the conference. The redistribution of population within the Empire will have to be discussed, but there is no promise of anything more than piously platitudinous resolutions on the subject. Canada's Government is apparently not ready to accept Britain's waiting offer of cash aid in a suitable settlement scheme.

Monetary policy will also call for an expression of views. While the Empire countries are likely to reiterate their faith in easy money and a rising price level as one means of recovery, monetary problems cannot be disposed of by as simple a formula as that prepared and presented at Ottawa in 1932 and repeated in London in 1933. One fact glares forth: that commodity prices have not equated themselves with the present price of gold and some nations prefer that prices do not rise sharply in the near future. Prices are tied to gold by a long and loosely hanging string and if the boat does not move nearer the dock, there will be those who feel that the dock ought to be moved nearer to the boat.

The conference was not planned as a major Imperial assembly, but conversations are likely to be inaugurated that will in time lead to decisions of prime importance.

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Save Sufferers and Aid Class War!

RADICAL and "pink" sheets, published in Canada and the United States, contain many appeals for "aid for Spanish Democracy." The organizations asking for funds all bear names that ring the changes on humanity and charity: "the Medical

(Continued on page 2, col. 3)

U. S. Gains Are Larger Under Pact

Leads Canada Slightly in First Year Trade Agreement

MANY LINES BENEFIT

From Our Own Correspondent

OTTAWA.—First figures of a full year's operations of the United States-Canada trade agreement, just released by the Federal Government here, reveal that, while the treaty has been beneficial to both nations in the sense that the commerce of each has increased under it, so far a substantial balance of the advantage has accrued to the traders of the Republic.

Canadian exports to the United States increased from $370 millions to $417 millions, or by $47 millions. At the same time United States exports to Canada jumped from $312 millions to $369 millions or by $57 millions.

Canada's Gain Smaller

In terms of percentages the export trade of Canada to the United States increased by 13.4, of the United States to Canada by 18.4.

Canada's favorable balance of trade with the Republic dropped from $57.7 millions to $47.7.

Critics of the treaty on Parliament Hill concentrate on the fact that the greatest volume of increase in Canadian exports occurred in connection with items in respect to which the agreement made no change. The Government's contention, however, is that the effectiveness of the pact should be judged not on mere volume alone, but rather by the percentage increases induced in the various classes of exports under it.

On this basis the treaty makes the following showing:

U. S. Trade Agreement

	12 Mos. before treaty $	12 Mos. under treaty $	% Incr.
	(000's omitted)		
Items reduced	35,723	59,281	65.9
Items fixed	3,482	4,751	36.4
Items free	129,813	152,775	17.7
Total	169,018	216,808	28.3
Items unaffected	189,551	189,855	0.2
Total exports to U. S.	358,569	406,664	13.4

From the point of view of individual United States industries, the so-called reciprocity agreement has been most beneficial to the motor car manufacturers of the Republic, whose sales to Canada jumped in the year from $2.5 millions to $7.2. This is a direct result of the cut which the treaty effected in the Canadian duties on higher-priced cars, which residents of the Dominion have been buying in increasing volume with the return of prosperity.

Branches of United States business which have shared substantially are:

U. S. Exports

Industry:	Before treaty $	After treaty $
	(000's omitted)	
Automotive	2,479	7,178
Machine	16,744	25,499
Rolling mill	11,538	14,694
Farm implement	5,045	8,811
Electrical	7,422	9,446
Magazines	6,929	8,990
Early vegetables	3,145	4,025

From the Canadian side of the picture the chief branch of the Dominion's business to benefit has been the distillery industry. Whisky exports jumped in the year from $12.5 millions to $22. Main Canadian industries to gain are as follows:

Canadian Exports

Industry:	Before treaty $	After treaty $
	(000's omitted)	
Distillery	12,463	22,028
Cattle	5,228	8,116
Horses	630	2,096
Cheese	84	1,579
Maple sugar	219	1,289
Potatoes	206	1,177
Lumber	7,554	11,284

Can. Airways Loss Reduced

New Planes Bought Cause Reduction in Working Capital

Canadian Airways Ltd. had operating revenue of $1,026,789 in 1936 as compared with $865,972 in 1935. Loss for the year was considerably reduced.

Largely owing to purchase of new equipment working capital shows a decrease of $239,482 during the year. Retirements of equipment amounted to $121,664 in 1936 and the cost of new equipment was $312,522. New aircraft bought included: two Lockhead Electras with motors; two Stinson Reliants; two Fairchilds; a Norsman; a de Havilland Rapide.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating revenue	1,026,789	865,972
Other income	1,875	1,725
Total revenue	1,028,664	867,697
Less: Expenses	954,441	814,286
Legal expenses	5,982	1,173
Directors' fees	40	200
Executive salaries	15,059	14,859
Depreciation	148,536	169,037
Taxes	......	732
Loss for year	95,394	132,590
Add: Prev. deficit	1,203,142	1,070,552
Deficit forward	1,298,536	1,203,142

Working Capital

	1936 $	1935 $
Current assets	334,939	295,903
Current liabilities	353,899	75,381
Working capital	*18,960	220,522

*Excess of current liabilities over current assets.

MAY COME TO CANADA

A cabled dispatch to The Financial Post this week indicates that Rt. Hon. Stanley Baldwin may be the choice of the Canadian Government to head the forthcoming Royal Commission on Canada's constitutional and financial problems.

Prime Minister Baldwin is expected to announce his retirement from public life in Great Britain after the Coronation. This would provide the opportunity for Canada to seek the services of this great Empire statesman in solving the major problems which now face this Dominion.

Wood, Gundy Offers Reorganizing Plan For Abitibi Power

Bondholders Would Get New First and Second Mortgage Bonds—6% Preferred 42½ Times Common Stock — First Plan of Reorganization

A way out of receivership for Abitibi Power & Paper Co. was opened this week by an offer from Wood, Gundy & Co. for recapitalization of the company. The offer is regarded as a preliminary legal step setting in motion machinery for some form of capital reorganization.

The principal features of the Wood, Gundy proposals are these:

1. Provision of nearly $9 millions of additional working capital.
2. Issue of new bonds of two types, one carrying a conversion privilege, for the full value of claims of bondholders, including interest; providing—for each $1,000 of present bonds—$600 of new first mortgage bonds and $741.25 of convertible, second mortgage, income bonds.
3. Exchange of each 7% preferred share into 4¾ common shares.
4. Exchange of each 6% preferred share into 4¼ new common shares.
5. Issue of one new common share for each 10 present common shares.
6. Payment of unsecured creditors in cash or in whatever other way the courts may direct.

In effect, the proposals place a value on each of 6% preferred shares of 42½ times the value of a common share, whereas the common has actually been selling at a price of about one seventh a preferred share.

Opposition or Changes Anticipated

Opposition is expected to develop to the Wood, Gundy offer, and it is anticipated that considerable changes or alternative offers may be recorded before the Abitibi reorganization is finally effected. The offer, however, provides a starting point for reorganization, and so far is the only definite plan made public.

The offer is dated May 3, 1937, and is made to the liquidator of the company, R. S. McPherson, C.A., Toronto. F. H. Barlow, K.C., Master at Osgoode Hall, who has charge of administration of the Winding Up Act, has given Mr. McPherson an order to proceed with negotiations with Wood, Gundy & Co. on details of the offer.

If alternative proposals are made, they will have to be considered by the liquidator and the court, whose responsibility it is to see that final settlement is as fair as possible to all concerned.

Different Methods

The present form of proceedings might lead to final reorganization under the Companies' Creditors Arrangements Act and the Companies Act, requiring consent of 75% of shareholders and 75% of bondholders attending meetings called for the special purpose of considering such a plan.

It is understood that the Wood, Gundy plan differs from that of the bondholders' committee, which would originally have eliminated the equity of preferred as well as common shares. The committee, it is understood, has favored a judicial sale under the Ontario Judicature Act. Investors will recall that the Judicature Act was used for sale and reorganization of Great Lakes Paper Co., with the result that bondholders received all the new bonds issued and 85% of the publicly issued shares.

The Wood, Gundy offer is understood to represent an effort to speed up reorganization which has progressed slowly in numerous meetings of bondholders' and shareholders' representatives.

Particulars of Offer

The Wood, Gundy offer calculates the total claims of holders of Abitibi 5% bonds at $64,738,114 at Dec. 31, 1937.

It is proposed to issue $37,960,200 of new first mortgage bonds in two blocks:

1. $9,000,000 of first mortgage serial bonds to mature $750,000 annually over 12 years; with interest at 2½% on the first four maturities; 4% on the next four, and 5% on the last four. This block would be purchased by Wood, Gundy & Co. at 97, providing nearly $9 millions of new working capital at a net cost to the company of 5%.

2. $28,960,200 of 5% first mortgage bonds maturing in 20 years. These would go to bondholders, representing 60% of the face value of the present 5% bonds.

Holders of the present bonds would also get $35,777,914 of 5% second mortgage bonds in settlement of the balance of their claims including arrears of interest plus interest on the arrears. Interest on this issue would be cumulative, but payable only from earned income. Also, this second mortgage issue would be convertible into common shares on the basis of 35 shares for $1,000 of bonds for the first one third of such bonds converted, 30 shares per $1,000 for the next one third converted, and 25 shares per $1,000 bond for the remaining conversions.

The plan would therefore provide $600 of new 5% first mortgage bonds and $741.25 of the convertible second mortgage bonds for each present $1,000 Abitibi bond.

Provision for Shareholders

Finally, there would be 2,712,125 common shares. Of these, 1,073,337 would be reserved for conversion of second mortgage bonds, and 1,638,788 would be given to present shareholders as follows:

1. 7% preferred: 3¼ common shares per $100 of claims including accrued dividends and interest thereon to Dec. 31, 1937.
2. 6% preferred: 3 common shares per $100 of claims including accrued dividends and interest thereon to Dec. 31, 1937.
3. Common: one new share for each 10 shares now held.

The 7% preferred will be in arrears of dividends $43.75 a share at Dec. 31, 1937, and claims would therefore total $143.75 per share, plus interest, giving total new com-

(Continued on page 2, col. 5)

Railways Write Off Loss On Road and Equipment

In the last four years of business recovery the Canadian Pacific and Canadian National Railways have written off a loss of $52.6 millions on retired road and equipment. These figures are shown in the annual reports of the two systems, but it is assumed that the greater proportion was debited against retired equipment, much of which has been replaced by the heavy buying of new equipment in the past two years.

The Government-owned system wrote off $38 millions during the four-year period, over three-quarters of it in 1935. The $29.1 millions write-off in that year contributed very largely to the $115.3 millions debit shown in the profit and loss account. The unusually heavy loss in 1935 was due, in part, to the retirement of 16,912 units of obsolete equipment.

Canadian Pacific's loss on retired road and equipment since 1933 has aggregated $14.8 millions.

Neither railway sets up a depreciation reserve, such as is done in industrial corporations, to cover loss on road or equipment. In each case the debit is charged directly to profit and loss, and does not appear in the income account. In the United States the loss resulting from the retirement of railway rolling stock equipment is amortized over the estimated life of the equipment by depreciation accruals includible in operating expenses in accordance with the accounting classifications of the Interstate Commerce Commission.

The loss record of the two Canadian systems for the past four years follows:

Loss on Retired Road and Equipment

	C.N.R.	C.P.R.
1933	$ 1,650,279	*$ 2,039,600
1934	1,290,194	*4,767,089
1935	29,111,717	4,692,085
1936	5,952,442	3,357,399
4-year Total	$38,004,632	$14,856,173

* Includes small amount miscellaneous debits.

Quebec Plans Large Outlay For Power

Provincial System Follows Bank of Canada Set-up

TROUBLE IN BILL 48

From Our Own Correspondent

MONTREAL. — State control of hydro-electric resources is provided for in the third and most important piece of electricity legislation brought down by the Duplessis Government during the current session of the legislature.

The bill creates under the name of National Electricity Syndicate a body very similar in set-up to that of the Bank of Canada, with power to issue stocks and debentures of which the majority will remain the property of the province the rest being sold to the public.

The syndicate will be authorized to construct electricity generating plants in the Abitibi, Temiskaming, Lake St. John and Roberval areas.

At the beginning it is proposed by the Provincial Government to place $10 millions at the disposal of the new syndicate.

The bill also makes it possible for the Government to contribute up to 55% of the cost of establishing an electricity distribution system by any rural municipality.

Power to Expropriate

Power to acquire by agreement or expropriate water power, hydraulic power, moveables and rights of way necessary for its purposes is given. In case of expropriations, the Superior Court shall decide the amounts to be paid to the expropriated parties. Appeals are allowed against the decisions of the Superior Court in cases where the amount involved is above $500.

No recourse in justice may be exercised against the syndicate unless it shall have been authorized in accordance with the rules established for a petition of rights.

The syndicate shall be composed of three administrators, named by the Lieutenant Governor in Council for a term of 10 years, the salary being fixed by the Government.

Trouble in Clause 33

Quebec power companies and the large industrial consumers are frankly worried about Clause 33 in the Act. Representations have been made to the Government and it is hoped that the offending clause will be either revised or removed.

The bill provides that no contract can be made for the sale of electricity for a period of longer than five years. Further, Clause 33 says that after September 1, 1937, the duration of any contract or agreement exceeding such period is reduced to five years.

In all large scale power developments an essential factor is long term power contracts; the longer the better. Fixed income on a long term basis, makes it easier for the power companies to carry out their financing. It enables them to budget their expenses and assures earnings to take care of fixed charges.

The consumer also is vitally interested in having a long term contract, especially pulp and paper manufacturers, electro - chemical operators and other industrial enterprises, which consume large quantities of power. The advantages of a fixed price are numerous, so that Quebec manufacturers made immediate representation to the Provincial Government as soon as they became aware of the contents of Clause 33.

Reports are that the Provincial Government will amend or delete the contentious clause from the Act so as to permit the making of power contracts for longer periods than five years.

Silknit Forced by Strike To Switch Export Trade

Export business of Ontario Silknit, Ltd., formerly handled by the main plant at Toronto, has been transferred to the English and Australian factories of the firm, and the Toronto plant is continuing to operate with a reduced staff. Efforts to settle the dispute between the company and nearly 300 striking workers this week appeared hopelessly deadlocked, and conciliation officers of the provincial labor department had ceased to try and bring the disputants together.

Trade Problems Dominate London's Imperial Parley

Meeting of Empire Statesmen Seen as Prelude to World Conference—Freer Trade Chief Object of Discussion—Canada's Role Important

Special Cable to The Financial Post From Our Own Correspondent

LONDON.—Trade problems promise to steal the show from defense at the Imperial conference, which is now to open following the Coronation ceremonies.

The Roosevelt-Hull plan to promote world peace by an economic programme, the first plank in which would be a British-United States trade treaty, will be the dominating topic of discussion when the premiers of the British Dominions sit down with members of the cabinet of Prime Minister Baldwin to survey the issues before the Imperial family circle today.

Post Story Studied

Copies of The Financial Post of May 1, containing the most extensive outline of this plan yet to appear anywhere, have been received in London. Other copies were studied by members of the Canadian delegation on their trip across the Atlantic.

In high circles, it is stated that The Post's article accurately presents the issue of "world peace through economic disarmament" that is turning out to be the major subject on the conference agenda.

Canadian Viewpoint

The Canadian delegation as a whole will lend warm support to the Roosevelt-Hull plan. The United States administrative leaders have made it clear, in private conversations with Empire statesmen, that they hope the Imperial conference will fling to the world a ringing challenge to break down obstacles to world trade. Canada will back the plea of Washington. Prime Minister King, who understands its full import as a result of his recent visit to Washington, will give it ardent support and is ready to point to the opportunity that now exists to lift the world out of the valley of depression and thus avert the danger of war.

Hon. Charles A. Dunning, minister of finance, who has to deal with the practical problems involved, is ready to support any move that will raise the world's standard of living. But he is determined that the negotiations shall be conducted without emotionalism. Before Canada offers any one-sided concessions to Britain or the United States to permit an Anglo-American trade pact to be signed he will insist upon some hard bargaining on the subject of a suitable quid pro quo for Canada.

Lumber and Apples

It is understood here that in the preliminary discussions concerning a trade treaty between Washington and London, lumber and apples have played an important part. The United States is anxious to regain her United Kingdom markets for both of these products. It is felt that Mr. Dunning would willingly consent to a narrowing of the margin of preference now granted to Canada on these products in the United Kingdom market if the United States in turn would agree to enlarge the Canada-United States reciprocity treaty to help Canada in the sale of codfish, cattle and lumber in the United States.

Canada would probably insist also than any changes in the United States tariff, favorable to Canada, be made by Congress and not by presidential decree under the special reciprocal trade powers granted to the president. The feeling of Canadian ministers is that Congressional action is likely to have a more permanent basis than presidential action, which is in any event limited as to term.

Long Road Ahead

Seasoned observers here anticipate that the conference discussions and communiques will constantly emphasize the need for freer trade among the nations. A final resolution from the conference, expressing the willingness of the British nations to move in the direction of the reduction of tariff barriers, is also expected. But after the resolution, a long and arduous path must be traversed as actual negotiations are undertaken between different countries to put expressed ideals into actual practice.

For example, it is not expected that an Anglo-United States treaty can be negotiated and signed before

(Continued on page 2, col. 6)

History Repeats In Sugar Pact

Special Cable to The Financial Post from Our Own Correspondent

LONDON.—Hon. Charles A. Dunning, Canada's minister of finance, appeared at the International Sugar Conference last week to announce the inability of Canada to sign the agreement reached to restrict exports and control production. He intimated that there was a possibility that Canada might sign at a later date.

However, Mr. Dunning assured the conference that the Canadian Government has no intention of encouraging sugar production in Canada by subsidies, higher tariffs or other methods.

In some circles it is believed that Mr. Dunning's refusal to sign the agreement was due to the fact that the sugar agreement bears a close resemblance to the international wheat agreement, signed by the Bennett Government, and which the Liberal Party opposed on the hustings and in Parliament.

Defence Plan Under Review By Statesmen

Canada Expects to Learn Much From Empire Talks

LEAGUE SUPPORT

By H. NAPIER MOORE, Editor, Maclean's Magazine
Special Cable to The Financial Post

LONDON.—While the economic phases of the Imperial Conference are likely to transcend in importance the discussions that will take place on the subject of Dominions defense, this does not mean that the latter subject will in any way be overlooked in the discussions about to open in London.

H. NAPIER MOORE

It is already apparent that the Canadian delegation will say little but will listen intently to the views of the United Kingdom and the other Dominions. Prime Minister King will point to the diversion of opinion among different racial and geographical sections in Canada on the subject of defense. He will stress the necessity of pursuing those policies that will keep Canada united and peaceful in the domestic sphere.

Canada's Position

He will insist that Canada is attending satisfactorily to her own defense which, for reasons political and geographic, is much less a problem for the British people to worry about than are the defense problems of other parts of the Empire.

In any event, the Canadian delegation is firmly determined not to commit itself to any scheme of unified Empire defense.

The attitude of Great Britain and the Dominions toward the League of Nations promises to be a subject that will produce no little controversy.

Backing the League

The delegations from South Africa, Australia and New Zealand are prepared to enter a strong plea that the Empire should throw the full force of its prestige and co-operation behind the League of Nations as at present constituted. They feel that therein lies the world's best assurance of peace through a system of collective security. The issue of the conversations regarding the League is very much in doubt, the sharpest division of opinion being displayed in respect to the question of whether or not collective security requires teeth.

But back of discussions on Empire defense and the League of Nations stand economic issues. It may be that the conference's chief contribution to world peace will be agreement upon a more uniform policy of freer trade, in co-operation with the United States, the object being to lessen the spirit of economic nationalism in the world, removing the sources of discontent and thereby lessening the risks of war.

Increase Estimated In Noranda Profits

Profit of $1.17 per share is estimated in the statement of Noranda Mines covering operations for the three months ended March 31, 1937. This compares with earnings per share of 87 cents for the first quarter of 1936. Estimated net profit for the first quarter of 1937 was $2,623,931, compared with $1,952,289 for the same period of 1936. Increase reflects the higher prices for base metals.

Inco Earnings Show Increase

Profit of 77 Cents Per Share Is Announced for Quarter

For the first quarter of 1937, International Nickel Co. earned 77 cents per share on the common stock after allowing for preferred dividend, as compared with earnings of 64 cents per share for the last quarter of 1936, the company's quarterly statement announces.

Inco's net profit for the first three months of this year amounted to $11,714,957, as compared with $9,836,446 for the last quarter of 1936.

In the accompanying letter to shareholders, Robert C. Stanley, chairman and president, stresses the work done by International Nickel's development and research department in originating new alloys containing nickel.

New Alloy

One of these new alloys is "K," which, in addition to high non-corrodibility, offers the great strength and other physical properties associated with alloy steel. Through the research programme, the engineering properties of a non-ferrous alloy have been raised to those of special steels. "K" is non-magnetic. It can readily be forged, machined and welded, and, like steel, can be hardened or softened by heat treatment. This development is in line with International Nickel's policy of broadening the applicability of nickel to industrial processes which require better engineering materials to meet exacting conditions.

Mr. Stanley reports that among the uses of "K" are the valve stems in the Tygart River dam of the U. S. Army Engineers' flood control project in West Virginia, and for valve balls and seats in deep-well pumps working under highly corrosive and

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Highlights

Real Estate Securities

Survey of 103 Canadian real estate companies shows recovery under way, but effects of the depression disastrous. Page 14

Round-the-World by Air

The end of 1937 may see Canada and the Empire linked by regular air service. Page 15

Lake Shore Mines

A new dividend policy has been established by Canada's greatest gold mine. Page 3

Industrial Disputes Laws

Increasing labor troubles in Canada bring up the question of the effectiveness of existing laws. Page 18

By-law Bungling

Co-ordinated building regulations urgently needed in place of confused maze of conflicting by-laws among Canadian municipalities. Should federal supervision be established? Page 10

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Men of Empire

By the time this paper reaches subscribers, King George VI should be well and duly crowned, and the Coronation spectacle will have passed into history.

Almost immediately, a great Imperial Conference will begin its deliberations and the statesmen of Empire will deliberate their major problems—past, present and future.

As usual, The Post will be well represented at this momentous gathering. Regular weekly cables from our resident British correspondent will be supplemented by special stories from H. Napier Moore, editor of Maclean's Magazine, who is representing the MacLean Publishing Co. Of special interest next week will be interesting personality sketches of some of the men behind the scenes in Canada's delegation.

Other important features planned for forthcoming issues of The Post include an unusual story on the ins and outs of weather forecasting and its importance to business. We will also publish shortly the results of a country-wide survey among industrial leaders as to their views on industrial relations, collective bargaining and so forth. In the light of current C.I.O. activities this will be a valuable and important forum of a very timely subject.

MEN'S SHOP

SHIRT SECTION

PINE ROOM—CUSTOM TAILORING

SHOE DEPARTMENT

For men who desire the convenience and completeness of a specialty shop, plus all the unique EATON advantages of service and wide range of quality and price—the Men's Shop is ideal.

Here, in addition to many of the regular lines obtainable at EATON'S Main Store, discriminating men will find superb selections of imported specialties.

Compact sections, offering a degree of privacy, in a modern manner that facilitates easy choice, such imports as formal headwear by Scott & Henry Heath of London, England, a wide range of coats by Burberrys . . socks by Allen Solly . . informal headwear by Knox of New York . . . suits, both ready-made and made-to-measure from fine woollens.

The Custom Shirt Department will make shirts to your order, from imported shirtings . . . the Pine Room, Custom Tailoring, will tailor your clothes for social, sport, and business wear, in the highest traditions of fine tailoring.

You are cordially invited at this time, to inspect the Men's Shop's own distinctive assemblage of clothes and accessories for Spring.

Free Parking While Shopping at The Men's Shop
BAY STREET SECTION

EATON'S-COLLEGE STREET

The Nation's Business

(Continued from page 1)

Bureau to Aid Spanish Democracy," "the Save-the-This Fund" and the "Save-the-That-Fund." No doubt some of them are very good organizations and the funds subscribed will go for the purposes announced. There are others that are not to be trusted; purely fake funds designed to raise money to support organizers and solicitors.

The interesting feature of all of these funds, however, is the manner in which they have gone class conscious. Bodies like the Red Cross know no national or class sympathies. They provide aid where it is needed without regard for racial or national boundary lines. Not so with these new radical philanthropies.

The man who sends $3.35 to buy 10,000 units (one dose) of diphtheria anti-toxin does it, not to save a life, but to promote the arrival of the Communist millenium. The appeal for $1 for a pound of ether is an appeal to one's political sympathies rather than to one's humanitarian instincts. A $40 case of gauze bandages is a contribution to the class war more than it is a contribution to suffering people.

Perhaps there are funds in Italy to raise money to send comforts to the poor, wounded, bleeding Italian heroes on the Spanish front. Maybe in Nazi Germany, money is being raised to provide hospitals for General Franco's Spanish rebels. On this continent the tear-jerkers are busiest on the side of the "Government" troops and their Communist, Socialist and Anarchist allies.

* * *

EACH of these funds has the usual line-up of sponsors and supporters, mostly big names among authors, moving picture stars, university professors and pinkish writers. A few semi-professional bomb-throwers have been included on some of the lists. There are also men and women who have not been averse to helping suffering humanity by throwing bricks, leading riots and inciting strikes in which the guardians of law and order on this continent—the defenders of our own democracy—as well as the deluded strikers themselves, have come to have need of ether and tetanus anti-toxin, and stretchers and absorbent cotton.

Humanity is humanity whether it is Communist or Fascist; native or foreign; deep blue or bright red. But when a charity takes on a too definite a tinge of any particular color, there are bound to be a great many people who will be coldly suspicious. When those who are engaged in class struggle—whether on the Right or on the Left—enlist charity as a weapon in their battle, then they must not expect the support of people who consider class struggle a blight upon true democracy.

Not the least suffering part of suffering humanity is the average man or woman who feels that Fascist and Communist intervention in someone else's civil war is a threat to his own liberty and his own country's peace.

* * *

Communists and C.I.O.

LAST week's exposé in The Financial Post of the manner in which the Communist organizations in Canada have turned their whole machinery over to the C. I. O. has created consternation in Communist circles, where it was thought that these activities were well covered up.

The Daily Clarion, the Communist's own newspaper, declares The Post's article to be a "fabrication" published by "the most brazen of falsifiers." It accuses The Financial Post of attempting "to delineate an imaginery interconnection between the Communist party and the Committee for Industrial Organization."

The "interconnection" is not imaginary at all. Day by day for months past, the Clarion itself has been publishing the evidence of the Communist-C.I.O. link. It provides further evidence in its current issue. After charging The Post with making up imaginary stories, it says naively that the Communists "made no secret of their support of the C.I.O."

Stores Changed By Stop & Shop

Stop & Shop Ltd. plans to convert its 40 Toronto stores into "shopeteria" or self-service type of stores, The Financial Post is informed. To date 14 stores have been converted to this type and the remainder are to be changed as soon as possible.

Early in 1936 the company first changed some of its Toronto stores to this type. In every case increased sales resulted from the change.

Push Plans To Reclaim Dry Prairie

Financial Institutions, Railways and Governments Co-operating

From Our Own Correspondent

REGINA.—Eighty-six representatives of Federal and Provincial Governments, municipalities, railways, land companies, banks, insurance, finance and mortgage companies, conferred here under chairmanship of Hon. J. G. Gardiner, federal minister of agriculture, to lay plans for a long-term policy to rehabilitate western Canada's drought area.

Sectional committees on various phases of rehabilitation work will report to an executive committee which will pass on to an advisory committee its recommendations for approval.

Sectional committees cover practically every branch of rehabilitation work now under way and in prospect, and includes members of the Prairie Farm Rehabilitation Board. During last session of parliament the Prairie Farm Rehabilitation Act was greatly broadened.

Long-Term Plan

Mr. Gardiner's objective is a long-term plan covering possibly 10 or more years and studies of rehabilitation so far are just ground-work for future development on the prairies. Mr. Gardiner has continuously stressed the point there will be no mass movement out of the so-called dry areas.

It has been roughly estimated that 25% of the land now cultivated in the West is marginal or sub-marginal. This means that over a period of years ordinary farming methods will not prove very satisfactory. A good deal of it is populated. Any changes that will be made will only involve a slight shuffling around and it will be done quietly.

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AND KNOWING CONDITIONS

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Argentine Builds More Terminals

No Start Made Yet on Country Elevator System

The Argentine Government recently asked for tenders on the remaining three of the 14 terminal grain elevators in the original grain storage programme inaugurated last year.

Definite plans have not yet been announced regarding the feeder system of country elevators to go with the terminals now being built.

This phase of the programme, according to J. A. Strong, Canadian Trade Commissioner in the Argentine, presents a more difficult problem. There was no question as to the location of the terminals which have been built along the deep river harbors at central shipping points. With the feeder units, however, locations offer more of a problem, and the type of construction best suited to the peculiar needs of the country in which it is to serve is still a matter of debate.

Urgent Need

"The urgent need for additional grain charge facilities in the Argentine have never been more apparent than at the present time," Mr. Strong states. "The 1936-37 wheat crop was normal, but the bulk of the overseas exportable surplus had to move out in a hurry to make room for the succeeding heavy corn harvest. Handling facilities at ports were only relieved a year ago by a short wheat and flaxseed crop."

Corn is stored on the farms in the Argentine on the cob in large open bins and moves to port for the most part as sold to exporters, but the country storage capacity for wheat is negligible in relation to its production. During the past season when overseas exports were pushed through at feverish speed in order to capitalize on the higher wheat prices prevailing in January and February there was much congestion in railway terminal yards where rolling stock was tied up for long periods.

Cooksville Co. Plan Adopted Unanimously

At meetings held May 10, 1937, shareholders approved the plan of reorganization as proposed. The way is now opened for issue of the new bond issue of $500,000, the sale of which has been arranged.

Holders of the 7% preferred shares will now receive one share of new 5% cumulative second preferred plus four shares of new common for each share held. Holders of present $100 par value common will receive 2½ shares of new common for each share held.

B. C. Pulp Start Producing Bleached Pulp for Rayon

From Our Own Correspondent

MONTREAL. — B. C. Pulp and Paper Co. has started production of a high-grade form of bleached pulp as a base for rayon manufacture.

The development follows recent extensive additions and improvements to the plant at Port Alice and Woodfibre, and will include the making of alpha cellulose for export. The latter is the base for rayon manufacture and finds a ready market abroad.

Hindenburg Cost Is $3.7 Millions

Estimates from London insurance sources indicate that the Hindenburg disaster will cost insurance companies about £750,000 or around $3,700,000. The loss will be shared by insurance companies in Great Britain, the U. S., Germany and in other countries. There is no indication of what effect, if any, the Hindenburg crash will have on dirigible insurance rates.

Saint John Shipping Shows Gain During April

From Our Own Correspondent

MONTREAL. — Cargo handled at the Port of Saint John during April totalled 235,301 tons, of which 89,421 represented imports and 145,880 tons exports. For the same month last year imports totalled 55,375 tons and exports 110,038 tons.

Company Reports

Copland Brewing Co.

Annual report of Copland Brewing Co., Toronto, for the year ended Oct. 31, 1936, shows a deficit of $17,490 compared with a profit of $60 in the previous year. Excess of current liabilities over current assets has been somewhat reduced.

The company has a first mortgage of $89,165 outstanding, due Sept. 15, 1938, on which principal installments of $58,000 were in arrears at Oct. 31, 1936. A second mortgage of $60,000 was due Nov. 18, 1936, on which interest arrears amounted to $20,810.

Income and Surplus Account
Years Ended Oct. 31

	1936 $	1935 $
Operating profit*	98,881	97,227
Add: Sundry revenue.	1,132	1,210
Total income	100,193	98,437
Less: Selling exps., etc.	94,647	84,360
Officers' salaries	13,396	14,017
Mortgage int.	9,640	......
Loss for year	17,490	†60
Add: Prev. deficit	235,748	234,684
Adjustments	6,636	1,124
Deficit forward	259,874	235,748
*After depreciation	19,485	19,353

†Profit.

Working Capital

	1936 $	1935 $
Current assets	74,884	80,529
Current liabilities	90,128	109,309
Excess of current liabilities over current assets	15,244	28,780

Southern Kraft

Southern Kraft Corp., subsidiary of International Paper, reports gross sales and income in 1936 of $34.2 millions. Net revenue available for interest and depreciation totalled $9.4 millions and the net profit for the year $5.6 millions. From the latter the company paid dividends of $4.8 millions.

The balance sheet as at the end of 1936 shows a funded debt of just under $14 millions. Current liabilities totalled $2.5 millions and amounts due to International Paper Co. over $18.6 millions. Capital assets are shown at $35.1 millions and current assets at $9.4 millions.

Income and Surplus Account
Year Ended Dec. 31

	1936 $
Gross income	34,217,266
Less: Oper. expenses	24,812,654
Net revenue	9,404,612
Less: Interest on debt	304,922
Other interest	1,701,958
Debt discount	71,196
Depreciation	783,141
Taxes	880,926
Net profit	5,657,469
Add: Previous surplus	46,378
Less: W/o of mill	179,335
Premium on bonds	5,854
Dividends paid	4,814,661
Surplus forward	703,997

Standard Steel

Operations of Standard Steel Construction Co., subsidiary of United Steel Corp. recorded marked improvement in 1936. Profits were equivalent to $9.48 a share on the preferred stock or more than three times the dividend requirements of $3 a share. Earnings on the common shares were equal to 52 cents a share after allowing for a full year's dividend on the preferred stock.

Preferred dividend arrears at the end of 1936 amounted to $51,397. Out of 1936 earnings the company paid preferred dividend of $6 a share. On March 15, 1937, the company paid a further dividend of 75 cents a share plus an extra on arrears of 75 cents. A quarterly dividend of 75 cents a share plus an extra of 75 cents on arrears has been declared payable July 1 to shareholders of record June 15. This payment will reduce dividend arrears to $3.75 a share.

The report reveals that the marked improvement in operations of United Steel Corp. in 1936 was almost entirely due to the betterment in business of Standard Steel. Total profits of United Steel for 1936 were $102,557. As net profit of Standard Steel was $92,807 the other divisions of United Steel earned less than $10,000.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Operating profit	152,920	60,036
Add: Invest. inc.	2,423	946
Less: Exec. salaries	12,810	7,128
Legal fees	236	718
Depreciation	28,990	31,437
Prov. for taxes	20,500	3,000
Net profit	92,807	18,699
Less. Pref. divds.	58,740	......
Surplus for year	34,067	18,699
Add: Previous surplus.	250,715	238,091
Less: Adjustments	3,055	6,065
Balance forward	281,727	250,715

Working Capital

	1936 $	1935 $
Current assets	428,101	317,300
Current liabilities	121,208	20,221
Working capital	306,893	297,079

Inco Earnings Show Increase for Quarter

(Continued from page 1)

abrasive conditions in the oil fields. Other uses are for ball bearings, pump rods and non-magnetic parts in airplanes.

Profit and Loss
Three Months Ended Mar. 31

	1937 $	1936 $
Earnings	16,837,868	11,9[illegible],862
Less: Adm. & H.O. exp.	418,990	445,464
Net operating profit (see below)	16,418,878	11,456,398
Other income	106,828	70,439
Total income	16,525,705	11,526,836
Less: Inc. & franchise taxes	2,897,674	1,498,314
Deprec. & depletion	1,443,158	1,272,176
Retire. system, etc.	469,917	369,559
	4,810,749	3,140,049
Net profit carried to surplus	11,714,957	8,386,787

Earned Surplus

	1937 $	1936 $
Earned surplus beg. of period	59,896,144	44,176,483
Net profit as above	11,714,957	8,386,787
	71,611,100	52,563,276
Less: Divds., pfd.	483,475	483,475
Common	7,289,085	3,644,542
	7,772,559	4,128,017
Trans. to ret. system reserve	1,500,000	......
	9,272,559	4,128,017
Earned surplus end of period	62,338,541	48,435,259

Production at Macassa Advances to New High

Macassa Mines reports April production of $110,025, a new high monthly figure for the mine resulting from the recent step-up in mill capacity. Previous high, in March of this year, was $108,009. Mill treated 7,007 tons for a daily average of 234 tons. Recovery per ton fell from $16.27 in March to $15.70 in April. During March, 6,639 tons were milled.

Saskatchewan Approves Property Floater Policy

The "personal property floater" insurance policy has been approved by Arthur Fisher, superintendent of insurance for Saskatchewan.

This policy with the intriguing name was approved last fall in Ontario, Quebec, Manitoba and Alberta following recommendation of the joint committee on definitions. It is a comprehensive form of insurance, covering household contents.

Wood, Gundy Offers Reorganization Plan For Abitibi Power

(Continued from page 1)

mon shares under the plan of 4¾ shares for each present preferred share.

The 6% preferred will be $39 a share in arrears of dividends at the close of this year with interest additional, and this increase in the claim would produce 4¼ new common shares for each present preferred share.

A condition of the offer is that agreements be executed with the Ontario Hydro-Electric Power Commission regarding claims against the company and with the Ontario Government regarding allocation of timber limits. Such agreements have already been negotiated but have not been formally executed.

In the offer it is estimated that the purchase of the $9 millions of serial bonds by Wood, Gundy & Co., plus accumulation of earnings in the next 12 months, should give the company working capital of more than $17 millions before any interest payments become due.

In concluding the offer, Arthur D. Cobban, vice-president of Wood, Gundy & Co., states:

"This proposal preserves for the bondholders their existing prior position for all claims, including accrued interest thereon. It preserves exclusively for the present security holders of the company, including the bondholders, the right to share in any further improvement in the industry, and provides, in our opinion, the cheapest method of obtaining immediate working capital. Furthermore, it provides a medium whereby all investors who supplied the capital for the building of these properties have an opportunity of regaining their full investment with interest thereon."

B. C. Nickel Shareholders Oppose Reorganization

The reorganization plan to be presented at annual general meeting of B. C. Nickel Mines is being opposed by minority shareholders. They are seeking proxies to be voted in opposition to the plan.

Should reorganization be approved, according to those opposing it, the existing contract between the syndicate and the company would be cancelled. Syndicate is at present obliged to finance the mine to production of 1,000 tons daily and to advance sufficient money to extract minerals from the ore.

Railway Earnings

Canadian National

March:	1937 $	1936 $
Oper revenues	16,631,981	14,470,710
Oper. expenses	14,869,601	13,529,177
Net revenue	1,762,380	941,533
3 Months:		
Oper. revenues	44,977,189	40,279,771
Oper. expenses	42,659,693	40,203,030
Net revenue	2,317,493	76,741

Canadian Pacific Railway

March:	1937 $	1936 $
Gross earnings	11,748,389	10,679,577
Working expenses	10,010,225	9,331,844
Net earnings	1,738,164	1,347,733
3 Mos. Ended March:	1937 $	1936 $
Gross earnings	31,667,081	29,283,922
Working expenses	28,024,668	26,456,289
Net earnings	3,642,413	2,827,703

Economic Problems Stir Chief Interest Of Imperial Parley

(Continued from page 1)

next year. This means that the world economic conference, which President Roosevelt plans to call, and which The Financial Post forecast in its issue of May 1, cannot possibly convene before the end of 1938, especially as, following the conclusion of the United Kingdom-United States agreement, it is hoped that similar agreements can be arranged between the United States and some of the British Dominions other than Canada, while a good deal of work of revising Ottawa agreements also remains to be done.

British Press Favorable

It is regarded here as significant that the British press has been publishing a great deal of editorial comment upon the subject of broadening the basis of international trade. Public statements of Norman H. Davis, unofficial United States economic emissary, have also been given great prominence.

The interpretation placed upon this situation is that the British Government is strongly behind Mr. Roosevelt and Mr. Hull in their drive for the economic rehabilitation of the depression-tattered world.

Other Dominions

Among the other Dominions, Australia is certain to give support to the plan along the lines of the statement made to the League Assembly last September by Rt. Hon. Stanley Bruce. Mr. Bruce, it will be recalled, put himself upon record as believing that only by enlarged international trade could a road to peace be found.

South Africa is favorable and has not forgotten that the United States gold buying policy has been the prime support for her own roaring prosperity of the last few years.

New Zealand seems to be opposed to the Roosevelt programme, possibly fearing loss of her own United Kingdom markets.

While the subject of Empire migration will not be overlooked, it is quite definite already that no assisted settlement scheme, providing for a movement of British population to Canada, will come out of the conference.

Bruce Consolidated

From Our Own Correspondent

WINNIPEG. — Drilling on the Bruce Consolidated property will commence as soon as a rig can be moved to the property, according to C. B. Dawson, consulting engineer for the company. Drilling was started last summer, but was suspended on account of the difficulty in obtaining water. It is hoped there will be ample water available for future operations.

HAVE YOU A PUBLIC RELATIONS PROBLEM?

Business and Industry are faced with the necessity for readjusting the method and procedure of their public relations programs to mass and group opinions, which are being rapidly altered both by the government's Legislative program and the propaganda activities of organized labor. Public relations programs both for individual companies and industrial groups must be adjusted to the changing national economy and presented in the language of the common man

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We invite correspondence from companies and corporations faced with special problems along the above mentioned lines. Strictest confidence observed. R. E. S. Green, Room 404, Victory Bldg., Toronto. Phone Elgin 6951.

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Lake Shore Gold Production Highest of Canadian Mines

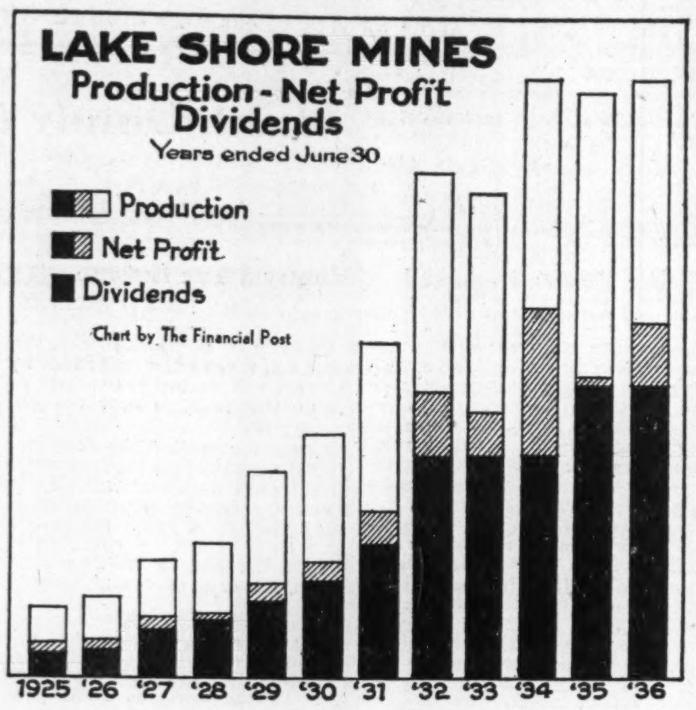
Liberal Dividend Policy of Earlier Days Revived as Years of Profitable Operation Seen Ahead — Distribution of $12 Millions This Year Likely to Necessitate Drawing on Ample Reserves — Company Hopes to Continue Present Dividend Rate

Lake Shore Mines produces more gold and pays more in dividends than any other gold mine in Canada.

Declaration of the regular quarterly dividend of $1 a share, plus a bonus of $1 a share, payable June 15 to shareholders of record June 1, brings total dividend disbursements for the current fiscal year which ends June 30 next, to $6 a share. This compares with $4 a share paid in the year ended June 30, 1936.

On its two million shares outstanding this means a distribution of $12 millions in dividends in the current year, bringing the total distributions since the inception of the company to $59 millions. In the year ended June 30, 1936, the company paid $8 millions in dividends.

The question being asked by shareholders is whether the company will continue to pay $6 per share. The Financial Post has been informed that directors plan, barring unforeseen developments, to continue dividends at the present rate as long as reserves will permit it to do so. At present it is the intention of directors to declare another extra distribution of $1 a share with the last quarterly dividend of the year, bring total disbursements in the 1937 calendar year to $6 a share.



Change in Policy

Declaration of two extra dividends of $1 a share in the current fiscal year, in addition to the regular quarterly dividends of $1 a share marks a change in the company's dividend policy. During the first 12 years of production it was the policy of the company to be liberal in its disbursements to shareholders, most of the annual net profit being paid out in dividends. In 1930, however, the company decided to build up its reserves and as a result substantial additions to surplus were made in the fiscal years 1930-36 inclusive. The extent to which this policy was in force is indicated by the fact that working capital increased from $1.3 million in 1930 to $11.5 millions in 1936. In the current year, however, the company will pay more out in dividends than it will earn.

No official estimate has been made of earnings in the current year, but production figures indicate that profits will be lower than in the year ended June 30, 1936, when $4.88 a share was earned, as against dividend disbursements of $4 a share.

Production in the first nine months of the current fiscal year amounted to $11.8 millions, compared with $12.9 millions in the corresponding period of the previous year. Assuming that production in the last quarter is approximately the same as in the third quarter gold recovery in the current year will be about $400,000 lower than in the year ended June 30, 1936. Assuming that other income and expenses remain at the same level as last year earnings will be about 20 cents a share lower.

Draw on Reserves

It is obvious, therefore, since profits last year were only equivalent to $4.88 a share, that the company will have to draw heavily upon surplus in order to pay $6 a share this year. On the basis of a reduction of $400,000 in profits the company will have to draw upon reserves to the extent of $2.7 millions in order to provide for the total distribution of $12 millions.

Reserves, however, are ample for this purpose. They are, in fact, sufficient to permit continuance of dividends at the $6 rate for three more years at least even if profits do not rise from the 1935-36 level. Accumulated surplus stood at $10.3 millions at June 30, 1936, and working capital at $11.4 millions. Chief items making up current assets of $13.8 millions were $8.6 millions of cash, $859,000 of bullion, $3.2 millions of bonds. In view of the company's large liquid resources which are not needed in its business the decision to increase disbursements to shareholders does not come as a surprise.

Lake Shore has a record which is somewhat unique among Canadian mining companies. The nucleus of the property was staked in 1912 by Harry Oakes, who is now a multimillionaire as a result of his fortunate strike. In 1914 Harry Oakes incorporated Lake Shore Mines and four years later, in 1918, the property was brought into production at the low cost of $350,000. In its first year of production the company paid a dividend of five cents a share. Unlike a great many mining companies, Lake Shore has never passed a dividend and has never been through a financial reorganization of any kind. Rather, it has steadily increased its production, earnings and dividends. It has grown from a 60-ton mining operation to one of 2,500 tons daily.

Other Properties

Lake Shore also differs from most large Canadian mining concerns in that it has never been interested in exploration or development of outside properties. It has been satisfied to concentrate its efforts entirely in developing its own mine. The only properties, other than its own, in which it has an interest are those of Kirkland-Hudson Bay Gold Mines and Minaker Kirkland Gold Mines, both of which immediately adjoin its own. Lake Shore owns the controlling interest in these companies, control having been acquired because of the possibility of Lake Shore veins extending into these properties. These properties are assets of considerable potential value to Lake Shore.

The financial group which provides funds for development usually dominates the management of a Canadian mining enterprise, the staker or original owner of the property being relegated to the background. Not so with Lake Shore. Through most of its history the management of Lake Shore has been under the personal direction of Harry Oakes, and it was not until the middle of 1935, when he decided to leave Canada in order to avoid heavy taxation, that he surrendered the presidency and managing directorship to Dr. W. P. St. Charles, its present head.

Throughout the years Lake Shore has amply rewarded Harry Oakes for the hardships which he endured as a prospector. As vendor of the claims he received 775,000 shares and later he increased his holdings by purchase in the open market until he held controlling interest. He is reputed to still hold controlling interest. If this is correct he will receive about $6 millions in dividends from Lake Shore in 1937 on which he will not pay the Dominion and Ontario income tax since he is no longer a resident of Canada.

$120 Millions Produced

Since it commenced production in 1918 Lake Shore has produced about $120 millions of new wealth, which has been distributed in various ways.

It has paid approximately $22 millions in wages.

It has expended approximately $23 millions for supplies and equipment.

To Dominion, provincial and municipal governments it has paid $8.9 millions in taxes. Of this amount the Dominion Government has collected $5.7 millions, which includes gold bullion tax of $1.8 million. The Ontario Government has collected $2 millions and municipalities $212,000.

Dividends, including the payment to be made June 15, total $59 millions and by the end of 1937 will amount to $65 millions.

Lake Shore now produces more gold and pays more in dividends each year than any other Canadian gold mine, though Hollinger is far in the lead in respect to total amount produced and total dividends paid. Brought into production eight years earlier, Hollinger has produced $243 millions of gold or more than twice Lake Shore's output. Up to the end of 1936 Hollinger paid $82.8 millions in dividends and payments and declarations this year to date bring the total to $84.5 millions.

Despite the fact that it has been producing for 19 years Lake Shore still has many years of profitable operation ahead of it. Workings are down to a depth of 4,500 ft., but up to June 30, 1936, practically no ore had been hoisted from below the 3,450-ft. level. Success attending exploration work in upper and middle levels of the mine renders unnecessary any immediate further development of lower horizons.

Port Royal Pulp Boosts Wages

From Our Own Correspondent

MONTREAL.—Port Royal Pulp and Paper Co. has put into effect a 10% wage increase for employees of its Fairville plant, which is working at full capacity owing to increased demand for rayon pulp. The mill is using three shifts at present and more than 250 workers are employed.

de Havilland Sales Larger

Orders for Coast Patrol and Training Planes Obtained

Prospects for improved earnings in the year ending Sept. 30, 1937, are indicated from announcement of recent orders obtained by The de Havilland Aircraft of Canada. The Royal Canadian Mounted Police have ordered four of the company's "Dragon Fly" planes and the Royal Canadian Air Force has placed orders for 20 "Tiger Moth" training planes.

The "Dragon Fly" planes are twin-engined, dual-control biplanes, capable of carrying five passengers and well adapted for coastal patrol work. They are powered with the "Gipsy Six" engines and are actually a smaller edition of the "Dragon Rapide" plane. Cost of the "Dragon Fly" machine is understood to be around $15,500 which would make the total amount of this transaction approximately $62,000.

The "Tiger Moth" planes are designed for use as training planes. Average cost of these machines is understood to be approximately $7,000 each, making the value of the order received from the Royal Canadian Air Force about $140,000.

Capacity Operations

Production of these planes is already under way but it is still too soon to be sure that delivery will be made in time to benefit the current year's profits for the full amount of the sale. The company now has enough orders on hand to keep the plant operating at full capacity for the balance of the year.

Total sales reported by the company for the fiscal year ended Sept. 30, 1936, were $169,275 and $155,943 for the preceding year. If de Havilland is able to complete delivery of the orders reported now, total sales during the current fiscal year should be nearly doubled. The company earned 61 cents a share on its preferred stock in the year ended Sept. 30, 1936.

Ontario Silknit Ltd. Has Deficit on Year

Net profit of Ontario Silknit Ltd. for 1936 was equal to $3.28 a share on the 7% preference stock compared with $11.64 in 1935. After provision for preference dividends there was a deficit of 93 cents a share on the common in 1936 against net earnings of $1.16 a share in 1935.

Operations in Australia improved slightly over the previous year but operations in Canada and England were considerably lower than in 1935. The balance sheet at Dec. 31, 1936, shows bank loans and overdrafts of $338,680 compared with $162,194 at the end of 1935.

Consol. Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Oper. profit	296,845	374,941
Less: Depreciation	78,145	88,314
Leasehold amort.	1,209	998
Mtge. interest	4,454	4,879
Directors' fees	2,032	2,032
Exec. salaries	106,791	102,800
Legal expenses	5,870	6,150
Prelim. exps. w/o	3,821	......
Loss sale cap. assets	1,135	......
Income taxes	41,531	33,807
Exchange adjust.	19,072	19,551
Net profit	32,785	116,410
Less: Preference divds.	70,000	70,000
Surplus for year	*37,215	46,410
Add: Prev. surplus	274,919	228,509
Inc. tax adjust.	7,299	......
Less: Arrears of pref. divid.	7,500	......
Res. & s. f. on inc. rights	27,000	......
Surplus forward	210,503	274,919

*Deficit.

Working Capital

	1936 $	1935 $
Current assets	1,354,724	1,329,624
Current liabilities	701,177	644,405
Working capital	644,547	685,219

Walker's Debentures Still Being Converted

An additional 110 shares of common stock of Hiram Walker-Gooderham & Worts have been issued because of conversion of the 4¼% debentures, according to information supplied to The Toronto Stock Exchange. Issue of this stock, which covers the conversion of $5,000 of debentures, makes the total number of shares issued under the conversion privilege 63,297 as at April 29, 1937. Total number of shares outstanding becomes 723,297.

At present price of about $44¾ a share conversion of debentures at the conversion price of $45 a share is hardly profitable. It is expected that the conversion price will rise to $55 a share after the redemption of the debentures called for payment June 1.

New Stock Offered

From Our Own Correspondent

MONTREAL.—René T. Leclerc Inc., is making a public offering of $212,500 of Alfred Lambert Inc. 6% cumulative first preferred stock at $24.50 a share, to yield around 6.12%.

Proceeds of the present issue, together with that received from the bonds recently placed on the market, will be used by the company for the purpose of financing the acquisition of the various subsidiary enterprises, as well as increasing working capital.

Inter. Hydro Net Moves Up

Returns for First Quarter Higher — Working on Arrears

From Our Own Correspondent

MONTREAL. — Preliminary figures for the first quarter of this year indicate a consolidated net income for International Hydro-Electric Systems of $612,115, according to a statement made by Irwin L. Moore, president, at the annual meeting of shareholders. For the first quarter of 1936 the figure was $141,290.

Cumulative returns for the 12 months ended last March show a net income of over $1.4 million, against $675,014 for the preceding comparable 12 months.

These earnings, Mr. Moore emphasized, were on a consolidated basis and did not reflect the cash income of the business. "Despite the marked improvement in earnings of New England Power Association and the increase over the minimum power deliveries of Canadian Hydro-Electric Corp., the two major subsidiaries, no income can be expected from either of these companies until arrears on their preferred shares are removed," he pointed out.

Dividend arrears on New England Power Association preferred stock amount to about $2 millions and on the first preferred stock of Canadian Hydro-Electric to about $1 million. Plans for meeting this problem are being given careful consideration, he said.

All retiring directors were reelected at the meeting. In addition, F. A. Auffermann, Jr., and H. C. Scott, were added to the board.

National Steel Car Working on C.P.R. Order

From Our Own Correspondent

MONTREAL.—National Steel Car has completed work on the 300 new twin hopper coal cars ordered this year by the Canadian Pacific Railway and has started work on the 200 drop-bottom gondola cars for carrying coal which have also been ordered by the same company.

The twin hopper coal cars are the same as the 100 bought last year by the Canadian Pacific and conform to the Association of American Railroad standards. They will be put into service across the system, being largely employed in carrying household coal from shipping docks to inland points. The capacity of these cars is 126,000 pounds of coal.

National Light Buying Bonds for Sinking Fund

National Trust Co. has called for offerings of sale of National Light and Power Co. bonds for sinking fund purposes. As trustee for the bonds it has $22,450 of sinking fund money on hand.

Offerings will be received by National Trust Co. at its Toronto office up to 12 o'clock noon on May 14. Each offer will be deemed to include accrued interest and to be for the whole or any part of the amount offered.

Realty Firm Gets Lower Interest

St. Catherine-Stanley Bondholders Obtain Control of Company

Bondholders of St. Catherine-Stanley Realty Corp., Montreal, adopted a plan of reorganization at the meeting held May 4, 1937. A total of $487,000 of 6½% first mortgage bonds was represented at the meeting out of $914,200 outstanding and the vote was unanimous in favor of the amended plan.

Bond interest will now be reduced to 3% from Nov. 1, 1936, to April 30, 1942; 3½% thereafter to April 30, 1947; and 4% to maturity. Final maturity date of the bonds is extended from May 1, 1946, to May 1, 1957.

The new board of directors will include four representatives of bondholders and three representatives of shareholders. The bondholders' representatives, chosen at the meeting, are as follows: J. A. Burns and A. F. Culver, Montreal; F. L. Whitaker, Waterloo, Ont.; H. E. Munroe.

Part of the plan provides that bondholders will always have control of the board of directors. Present rate of earnings is understood to give the company about 3¼% to apply toward bond interest and adjustments in rentals following the April 30 year end is likely to bring rate of earnings up to 3½%.

Joins C.I.I.T. Board

From Our Own Correspondent

MONTREAL.—Basil G. Ivory, of Edinburgh, has been elected a director of Canadian International Investment Trust. Mr. Ivory is a director of Scottish and Canadian General Investment Co. and also is associated with a number of British investment trusts.

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ONTARIO

ONTARIO SECURITIES COMMISSION

SOLICITATION BY REGISTERED BROKERS TO SUPPLY INVESTMENT ADVICE

The Commission recognizes that the proper function of a broker is to give disinterested investment advice to clients and to act as agent in a fiduciary capacity.

When a broker solicits the public to submit a list of securities for appraisal he must act as trustee for any member of the public who complies with his request. The member of the public who does this is now a client and the advice of the broker must be given for the benefit of the client. In cases where the broker operates to his own advantage and where the advice given is that the proceeds of securities held by a client should be switched into the purchase of unlisted securities in which the broker is financially interested, then, if investigation discloses that the broker has not strictly recognized his fiduciary position, this Commission proposes to take disciplinary methods which may result in the cancellation of the broker's license.

To facilitate investigation by the Commission, brokers giving such advice shall keep on file in convenient form for inspection all applications and a copy of the advice given in each separate case.

This Commission has no objection to a broker selling shares in which he is financially interested provided it is made clear to the public, or his customers, that he is interested in the issue and is not supplying disinterested advice.

J. M. GODFREY,
Commissioner.

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Other Stetsons are $7.50 (unlined $7) and up.

JOHN B. STETSON COMPANY (CANADA) LIMITED
BROCKVILLE ONTARIO

Investment Trends

British Profit-Taking Seen in Paper Issues

Opinion on Stock Markets Uniformly Favorable to Resumption of Rising Trend; But Secondary Selling Movement Still Possible

There has been substantial selling volume in newsprint securities from Great Britain, representing profit-taking on purchases made at much lower prices a year ago.

Flour milling companies have not felt the same improvement this year as last year. Domestic business has continued steady, but exports have not expanded and there has been increased American competition in the West Indies market.

Aggressive organizing activities of the Amalgamated Association of Iron, Steel and Tin Workers, first publicly evident in connection with Dominion Steel & Coal Corp., may also affect such firms as Steel Co. of Canada, Canadian Vickers, General Steel Wares, International Metals, Dominion Foundries & Steel, Page-Hersey Tubes, Massey-Harris and others.

* * *

A study by the U. S. Federal Reserve Board shows a net movement of over $800 millions of foreign funds into American securities in 1936. Following recent weakness on European stock exchanges this influx of funds has dwindled, and the effect may be to deter rapidly advancing prices of stocks in New York.

* * *

Following the slump of stocks which carried price averages to the lowest levels of the year on April 28, there has been the inevitable rally. It has been somewhat sluggish. Stock market analysts are still anticipating a secondary selling movement. Provided a downward movement of prices was effected with a dwindling volume of trading, and provided it did not break through the low points established at the close of April, it would be taken as an indication that the zig-zag downtrend had been halted. Then a vigorous rise would be necessary to indicate resumption of a rising price trend. Until such signs of reversal of the trend are indicated, the assumption is that there is still the possibility of further decline.

For the longer term, year-to-year price trend, opinion among stock market analysts is that the rising price movement that started in 1932 is still under way.

Position of Markets

Low points established by stock price averages at the close of April are as follows: Toronto Stock Exchange average, 158.25; Montreal Stock Exchange index, 100.3; New York (Dow-Jones) industrial average, 170.4.

The averages have risen six to nine points above these low zones. A very quiet downward movement, halted at the year's lows, would be regarded as indicative of a possible return to a rising price movement.

* * *

Investment Opinions

Favorable opinion predominates for the long-term outlook for common stocks. For instance, a U. S. investment advisory service comments:

"Stocks should have entered an attractive buying area at the 170 level of last week."

City & Dominion Co., Toronto, comments:

"Liquidation has been carried to unreasonable extremes, largely because of the psychological influence."

A New York stockbroker remarks:

"A good many stocks of investment quality are available now at prices which should attract longer term buyers; none the less, such demand can hardly be expected by itself to prove of sufficiently large proportions to advance stocks very far."

Commodity Research Bureau, New York, views the outlook for stocks as follows:

"The reactionary tendency in stock prices for the past few weeks appears to have been due largely to temporary uncertainties rather than to any change in fundamentals. We believe that these restraining influences are gradually losing their force and that the inflationary factors . . . will soon reassert themselves."

Recent Babson comment on Canadian stocks is:

"Favorable trade statistics, increased production in mines and factories and optimistic reports on business conditions, all militate against any fundamental change in the uptrend of security prices."

* * *

Noyes on Recovery

Commenting on the recent sharp break in stock prices at a time when business activity is at a high point, Alexander Dana Noyes, renowned financial analyst, states in the New York Times that special explanations were made in abundance. Many of the alleged causes of the decline, he says, had existed before and did not seem to make an impression previously on the financial mind. He continues:

"One cause that was not assigned by Wall Street had probably as much as anything else to do with the reaction; namely the fact that the advance had continued, virtually without interruption, during two successive years. Speculative markets being what they are, the momentum of such a rise will quite inevitably carry prices higher than the existing situation or the immediate outlook warrants. The strongest speculative buyer will at some point sell to take his profit and the longer such 'realizing' is deferred, the more of such selling there will be and the greater the pressure in a single unsettled day or week . . ."

In his analysis of the business situation behind the movements of stock markets, Mr. Noyes states:

"Usually, after prolonged expansion of industrial activity, at precisely this stage of after-depression recovery, there has been a halt. Sometimes there has been a distinct reaction, not as a rule very long continued. On all such occasions, the forward movement was eventually resumed, production reaching higher levels."

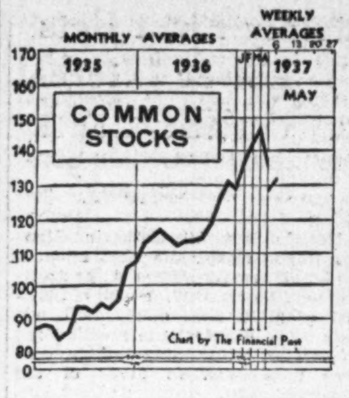
* * *

Value of Rights

Offering of rights to buy additional shares by Asbestos Corp, raises the old question of the real value of such rights. The first point for the investor to keep in mind is that the offering of one new share at $75 for each eight shares held marks a dilution of the equity issue. Of course, this is offset by the advantage of cleaning up arrears of sinking fund, for which purpose the rights are being offered, but nevertheless there is dilution of the share capital by one-eighth.

From a purely arithmetical standpoint, a one-eighth dilution should reduce the value of the shares. From a practical standpoint, the strengthening of the company's financial position and the trend of its earnings should be more important considerations in the long-range value of the shares.

Temporarily the arithmetical influence may tend to weaken any shares on which similar rights are offered. In the long run, other considerations may more than offset any dilution. The point for the investor to keep in mind, however, is that in offerings of rights, as in stock dividends, there is a dilution of his equity unless he takes advantage of the offer of shares.



WEAK MONTH

Weakness of stocks in April carried the Dominion Bureau price average for the month down 11 points. Comparative figures appear on this page.

Cockshutt Plow Profit Modest

Earnings Offset by Losses of Frost & Wood Co.

Cockshutt Plow Co. and its subsidiary, The Frost & Wood Co., in the 10 years 1926 to 1935 inclusive sold $45.6 millions of farm implements in Canada, according to the recent report of the House of Commons committee on farm implements.

Of the total sold in Canada, Frost & Wood Co. marketed $8.2 millions east of Peterborough and $37.4 millions was the total sold west of Peterborough by Cockshutt Plow Co.

The companies also sold $7.8 millions of implements for export in the 10-year period.

The report states that Cockshutt Plow Co. had an operating profit of $204,580 for the 10-year period before allowing for income taxes. Frost & Wood Co. had a total loss on the same basis of $183,820 for the period. The combined profit before income tax for the 10 years is placed at $20,760.

The apparent net profit, says the report, is heavily weighted by the interest paid on bank borrowings.

The committee comments that the information available to it does not enable it to pass an opinion on the reasons for failure of these long-established Canadian implement firms to increase their sales in Canada at a rate comparable with other companies.

Montreal Trams Pays Back Rental

From Our Own Correspondent

MONTREAL.—Montreal Tramways Co. has agreed to pay the City of Montreal $1 million, representing two years arrears of annual rental payable under the terms of the contract between the company and the city. The agreement provides that this amount will only be paid when earned, but Prime Minister Duplessis suggested to counsel for the company that this amount be paid now. The $1 million payment does not represent an additional impost on the company; it is, in fact, a charge against future earnings of the transportation system under the terms of the contract with the city.

International Petroleum To Pay $1.25 a Share

International Petroleum Co. has declared the regular semi-annual dividend of 75 cents a share with an extra of 50 cents a share. The total of $1.25 a share is payable June 1 to shareholders of record May 21.

The payment for bearer certificates will be on coupon No. 47. For stock exchange trading purposes, the shares are not ex-dividend until May 31.

Dividend Is Declared By Dominion & Anglo

Dominion & Anglo Investments Ltd. has declared a regular quarterly dividend of $1.25 a share on the preferred stock and an extra $1.25 a share on account of arrears. Both payments are to be made June 1 to shareholders of record May 15. The June 1 payments bring total distributions this year to $5 a share, compared with dividends totalling $3.75 a share for the full year 1936.

St. Lawrence Corp. Capital Reduction Is Approved

From Our Own Correspondent

MONTREAL.—Supplementary letters patent have been issued to the St. Lawrence Corp. confirming the by-law passed by the shareholders, reducing the paid-up capital from $20.6 to $15.5 millions. The reduction was effected by cancelling the paid-up capital on the shares of the capital stock of the company to the extent of $5.2 millions, which is lost or unrepresented by available assets.

Refinancing For I.P. & P. May Be Slow

S. E. C. Noncommittal — Decision on Plan Up to Shareholders

ONE OBJECTOR

A definite stand on the plan to recapitalize International Paper & Power Co. is avoided in the majority report of the U. S. Securities & Exchange Commission on the scheme. Putting the proposals up to shareholders for decision. The report consists largely of a lengthy analysis of the plan and urges every shareholder to vote.

In a minority report, one of the five commissioners expresses disapproval of the plan because, in his opinion, it "is not fair to the preferred stockholders."

If the proposals are approved by shareholders, they will again have to be submitted to the S. E. C. for hearings regarding exemption from the provisions of the U. S. Public Utility Holding Company Act of 1935. This indicates that some time will be required to complete the reorganization even if shareholders approve.

Bargain of Shareholders

The four-man majority report finds that the proposed plan of recapitalization is "in essence a proposal that the preferred and common shareholders shall enter into a bargain" with the idea that all shareholders, both common and preferred, shall share to some extent in the prevailing prosperity of the company. The report comments:

"The commission does not intimate that the plan is unfair. Indeed, in plans of this character there is no absolute standard by which fairness or unfairness can be judged. That question must be resolved in the light of a judgment by each class of stockholders as to whether what they give up is worth what they receive... It is important to recognize that the proposed plan, independent of the fairness of the bargain... has certain other advantages. Chief among these is the simplification of the capital structure that will be brought about."

In its "general observations," the majority report points out that this particular plan is not the only one possible and that shareholders should not allow themselves to be argued in voting in its favor on the ground that it is the only plan that can be worked out.

Importance of Voting

In urging every shareholder to vote, the majority report points out that one-third of the shares of any class represents a quorum at a meeting; and that two-thirds of the shares represented at a meeting, by approving the plan, can bind all shareholders. The report emphasizes, therefore, that the only effective way to assent or dissent is to vote on the proposals.

The report points out that until the deficit of $19,734,000 is eliminated there can be no dividends distributed. Hence, it says, profits until the deficit was eliminated would be subject to the U. S. tax on undistributed profits. Company officials estimate that the amount would exceed $5 millions in taxes.

In an effort to remove the deficit of $19,734,000 and wipe out the $36.7 millions of arrears of dividends on the preferred shares, International Paper & Power Co. submitted the plan for scrutiny by the S. E. C. last March. Briefly, the scheme provides that holders of the 7% preferred stock exchange for new 5% convertible preferred on a share for share basis, plus one share of new common stock for each preferred share.

The 6% preferred shareholders will receive one share of new preferred stock, plus three-quarters of a share of new common, for each share held.

Common Stock

Holders of the class A common stock will receive 8/20ths of a new common share; holders of the class B common stock, 6/20ths of a share of new common; and the holders of the class C common, 3/20ths of a share of new common. In addition, the holders of A, B and C shares will receive share warrants to purchase additional stock at the rate of $25 a share.

If the plan is approved, the company will have outstanding 918,454 shares of 5% prefered stock, par value $100 each, and 1,815,465 common shares of a par value of $15 each. Of the unissued stock, about 2.3 million shares will be reserved for the conversion of the preferred, and over 1.3 million shares for the exercise of the warrants.

In putting forward the plan for approval to the S.E.C., the company estimated that its 1937 earnings would be in excess of $9 millions.

Investment Notes

Canadian Airways—A substantial increase in scale of operations is reported by Canadian Airways for 1936. Revenue passengers carried were 20,948 against 14,540 in 1935 and mail flown was 955,214 pounds compared with 817,678 pounds. Express and freight carried also increased, amounting to 7,749,926 pounds in 1936 and 5,275,745 pounds in 1935. The company completed a contract for transportation of 700 tons of freight to Argosy Gold Mines, Patricia district of Ontario, and has a similar contract for 1937.

James A. Richardson, president, states that "the conditions surrounding aviation in Canada are still far from satisfactory and generally speaking competition is such that rates cannot be regarded as adequate."

* * *

Dosco—Reports that the C.I.O. are organizing the steel workers of Montreal and Sydney reacted unfavorably on the market action of the "B" stock, which sold off to less than 19. The market on the whole, however, has been soft and the selling off of Dosco has not been out of line with the rest of the market.

* * *

Economic Investment—This investment trust earned $2.08 a share on its common stock in the year ended March 31, 1937, compared with 98 cents a share in the preceding year. Dividends of $1.75 a share were paid for the last year against 87½ cents a share for the preceding 12 months.

* * *

Abitibi — Investment opinion on the common shares is pessimistic, first because the shares will not receive much from the reorganization, and second because whatever may be offered the common might be altered by legal decision; and consequently there is some wonderment that the shares remain firm around $10. However, there must be a buyer for every seller, and it is suggested that British support explains the firmness of the common.

* * *

Maple Leaf Milling — Failure of flour exports to improve and higher labor costs lend a sombre aspect to the outlook at present.

* * *

Ontario Silknit — This company shows much lower earnings in 1936 and it is noted that salaries of executive officers in Canada, England and Australia were 36% of total operating profit in 1936 and 27% in 1935.

* * *

There was a tendency for officers, directors and principal stockholders to purchase shares in their companies in March, according to official returns of transactions recorded by the U. S. Securities and Exchange Commission. Among the transactions of more particular interest from the Canadian viewpoint were these:

Canada Dry—R. W. Moore, president, reduced his holdings from 2,200 to 100 shares. Charles F. Munson, a director, reduced his holdings from 1,000 to 600 shares.

Dome Mines—Alexander Fasken, secretary, increased his holdings from 1,258 to 1,358 shares.

International Paper & Power—R. J. Cullen, president, increased his holdings of the preferred stock from 1,400 to 1,900 shares. W. N. Hurlbut, vice-president, increased his holdings of preferred from 453 to 553 shares. Coulter D. Young, secretary, acquired 200 class B common and 100 preferred shares in March. In February he had disposed of all 700 of his common shares.

McIntyre Porcupine Mines—Balmer Neilly, treasurer, increased his holdings from 501 to 701 shares.

Significant Investors' Index Numbers

1926 — 100

No. of Securities	Mach. and equip. 8	Pulp and paper 6	Milling 4	Oils 4	Textiles and clothing 10	Food and allied prod. 13	Beverages 7	Bldg. mater. 14	Indust. mines 2	Total industrials 68	Total utilities 19	Total co's. 96
1929-36:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	205.4	281.1	591.3	317.6	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	74.9	56.0	36.9	43.3
1937:												
Jan.	156.3	37.2	119.6	229.6	77.3	184.2	141.0	197.0	549.3	222.0	68.5	137.4
Feb.	163.4	36.7	120.7	235.2	78.5	188.2	139.3	203.5	586.7	228.8	73.1	142.4
Mar.	168.3	40.2	127.0	247.7	80.2	190.0	141.8	213.4	618.2	241.7	71.0	147.2
Weekly Figures, 1937:												
Apr. 1	170.2	45.1	127.2	238.2	81.0	188.1	139.8	214.2	610.6	238.1	68.6	144.4
Apr. 8	168.0	50.2	120.2	236.7	81.8	186.3	137.0	214.9	572.6	232.3	67.3	141.3
Apr. 15	159.0	47.2	119.2	236.6	80.5	184.7	136.2	208.8	567.1	229.2	66.4	139.4
Apr. 22	153.0	44.4	109.5	231.4	78.6	180.7	133.3	198.9	544.8	222.0	65.2	135.7
Apr. 29	147.6	40.7	107.4	221.0	77.5	178.3	125.7	192.0	500.8	209.6	60.7	128.3
May 6	154.5	41.5	111.1	227.9	78.0	178.2	129.9	190.7	524.9	216.5	62.3	131.9

*High and low for years from 1929 to 1936 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
May 10	164.07	121.66	155.19
May 8	166.36	124.72	158.95
May 7	167.91	126.84	160.56
May 6	167.00	126.56	160.53
May 5	166.16	127.05	161.81
May 4	167.01	128.11	162.45
Month ago	177.09	145.76	187.59
Year ago	128.44	134.18	129.32
High, 1937	187.67	168.59	215.36
Low, 1937	158.25	119.32	154.69

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
May 10	76.2	105.4	95.7
May 8	78.0	108.3	98.2
May 7	78.1	108.5	98.4
May 6	77.8	109.0	98.6
May 5	77.0	108.3	97.9
May 4	78.7	108.5	98.6
Month ago	81.8	117.3	106.4
Year ago	68.3	71.2	70.3
High, 1937	92.5	122.2	109.5
Low, 1937	76.0	100.3	92.3

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Higher Profits Reported By Reinhardt Brewery

Net profits of Reinhardt Brewery Co. for the year ended Feb. 28, 1937, were equal to 39 cents a share on the 177,159 shares outstanding compared with 28 cents on the same capitalization in the previous year. The company revised its capitalization in Nov., 1936, giving shareholders one new share for each five old shares held.

Directors have declared an interim dividend of 15 cents a share, payable June 1, 1937, to shareholders of record May 15, 1937. During the last three months of the year the high price of malt prevailing resulted in reduced profits.

Income Account
Years Ended Feb. 28

	1937 $	1936 $
Oper. profit	156,587	118,385
Less: Depreciation	50,461	44,985
Expenses	*16,100	14,673
Income taxes	15,842	8,864
Net profit	69,184	49,863

*Consists of remuneration of legal advisers $2,933 and executive officers $13,167 in 1937. No directors' fees were paid.

Working Capital

	1937 $	1936 $
Current assets	182,322	100,428
Current liabilities	43,391	94,283
Working capital	138,931	6,145

Dividends Declared

	This payment	Date payable	Date of record
Agnew-Surpass, pf.	$1.75	July 2	June 15
Aluminium, pfd.	$1.50	June 1	May 15
Do., arrears	$3.75	June 1	May 15
Andian National	$1+$1	June 1	May 20
Anglo Huronian	20c	June 1	May 15
Assoc. Tel., 6% pfd.	42c	May 15	May 1
Do., 7% pref.	49c	May 15	May 1
Biltmore Hats, pfd.	$1.75	June 15	May 15
Bright, T. G.	7½c	June 15	May 29
Do., pref.	$1.50	June 15	May 29
Bulolo Gold	$1.50	June 10	May 19
Bk. Can. Nationale	$2	June 1	May 15
Borden Co.	40c	June 1	May 15
Brewers & Distil.	40c	May 20	May 1
Do., bonus	10c	May 20	May 1
Bk. of Toronto	$2.50	June 1	May 15
Buff. Ankerite	12½c	May 15	May 1
Do., extra	5c	May 15	May 1
Bk. of Montreal	$2	June 1	Apr. 30
Beattie Gold	5c	June 1	May 15
B. A. Oil	25c	July 2	June 16
Can. Bk. of Comm.	$2	June 1	Apr. 30
Canadian Oil	12½c	May 15	May 1
Do., pref.	$2	July 1	June 19
Cosmos Imp.	25c	May 15	Apr. 30
Do., pref.	$1.25	July 15	June 30
Celanese of Amer., part. pfd.	$3.50	June 30	June 15
Can. Converters	50c	May 15	Apr. 30
Corr. Paper Box, pf.	$1.75	June 1	May 15
Crow's Nest Coal	$3	June 1	May 7
Canada Malting	37½c	June 15	May 31
Canada Vinegars	30c	June 1	May 15
Can. W. & Cable, pf.	$2	June 18	May 31
Can. For. Invest.	40c	July 1	May 15
Do., extra	40c	July 1	May 15
Do., pref.	$2	July 1	May 15
Dominion Coal, pf.	38c	July 2	June 15
Dom. & Anglo Inv., pref.	$1.25	June 1	May 15
Do., on arrears	$1.25	June 1	May 15
Dome Mines	50c	July 20	June 30
Do., extra	$2	July 20	June 30
Dom. Bridge	30c	May 15	Apr. 30
Electrolux	40c	June 15	May 14
Do., extra	10c	June 15	May 14
Ford Motor	25c	June 19	May 29
Gurd, Chas., pf.	$1.75	May 15	May 1
Hollinger Cons.	5c	May 20	May 6
Inter. Nickel, com.	50c	June 30	June 1
Imperial Oil	25c	June 1	May 14
Do., extra	37½c	June 1	May 14
Inter. Petroleum	75c	June 1	May 21
Do., extra	50c	June 1	May 21
Kirkland L. G.	3c	June 1	May 15
Loblaw, A & B	25c	June 1	May 10
Do., extra	12½c	June 1	May 10
Lake of Woods Mill. pfd.	$1.75	June 1	May 15
Little Long Lac	10c	May 15	May 5
Lake Shore Mines	$1	June 15	June 1
Do., extra	$1	June 15	June 1
Laura Secord	75c	June 1	May 15
McIntyre-Porc.	50c	June 1	May 1
McKenzie R. Lake	4c	June 15	June 1
McKinley Min. Sec.	2½c	June 1	May 15
McColl-Fron.	10c	June 15	May 15
Nor. Can. Mining	2c	June 1	May 8
Nat. Biscuit, pf.	$1.75	May 29	May 12
N. S. Light & Pr. pfd.	$1.50	June 1	May 15
Ont. Steel, pfd.	$1.75	May 15	May 7
Do., arrears	$5.25	May 15	May 7
Penmans	75c	May 15	May 5
Placer Develop.	†60c	June 10	May 19
Provincial Bank	$1.50	June 1	May 15
Quebec Pwr.	25c	May 15	Apr. 28
Rolland Pap.	25c	May 15	May 5
Do., pref.	$1.50	June 1	May 15
Royalite Oil	50c	June 1	May 15
Do., extra	25c	June 1	May 15
Royal Bank	$2	June 1	Apr. 30
Regent Knit., pf.	40c	June 1	May 15
Reinhardt Brew.	*15c	June 1	May 15
Sher.-Williams, pf.	$‡1.75	July 2	June 15
Shawinigan W. & P.	20c	May 15	Apr. 28
South. Can. Pwr., c.	20c	May 15	Apr. 30
Sullivan Cons. M.	2½c	June 15	June 1
Sylvanite Gold	5c	June 30	May 22
Stand. Steel, A pf.	75c	July 1	June 15
Do., arrears	75c	July 1	June 15
Third Can. Gen. Inv.	9c	May 15	Apr. 30
Vulcan Oils	5c	June 15	June 1
Toburn Gold	2c	May 21	Apr. 21
United Corp.	‡75c	May 15	Apr. 30
United Amuse., c.	30c	May 31	May 15
Toronto Elevators	$1	May 15	May 5
Do., pref.	66c	June 7	May 22
Walker-G. & W., pf.	25c	June 15	May 21
Do., com.	50c	June 15	May 21
Weston, Geo., c.	20c	July 2	June 19

†Interim. *Initial. ‡On arrears.

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Montreal Tax Income Shows Sharp Increase

The city of Montreal reports that sales and income tax collections for the year ended April 30 last show an appreciable increase over the previous year.

Sales tax collections for the first 11 months of the year amounted to $3,665,249, compared with $3,175,768 in the corresponding period of the 1935-36 fiscal year. Figures for April have not been compiled as yet but the total for the 12 months is expected to be over $4 millions.

Income Tax Receipts

The increase in income tax collections is comparatively slight, total collections for the year being $1,458,831. In the previous fiscal year $1,427,761 was collected.

The city treasury does not reap the full benefit of the sales and income tax collections as 15% of the total is distributed to the various municipalities in the metropolitan area, under the jurisdiction of the Montreal Metropolitan Commission.

Slave Lake—Temiskaming

We believe these shares may be purchased at present prices with promise of substantial appreciation in the next few months.

Bulletin available upon request.

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MEAD CORPORATION

A memorandum on this interesting pulp and paper situation has been prepared and will be mailed to you on request.

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Industrial Machinery

In the current year, a good increase in the demand for industrial machinery may be expected, due in a large measure to efforts to offset high wage costs by improvement of manufacturing efficiency. Strong foreign demand will also contribute to increasing activity of the machinery business.

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INVESTMENTS

• *To Yield from 5.20% to 6.85%*

A review of Canadian security markets reveals a few investment bonds and preferred stocks on which interest and dividends have been paid for many years, and which, on account of the generous income return, will meet the immediate needs of many investors. Further details regarding the following securities will be sent upon request.

	Rate	Maturity	Approx. yield
Calgary Power Co., Limited	5%	1964	5.20%
Great Britain & Canada Investment Corporation	4½%	1959	5.27%
MacLaren-Quebec Power Co., Limited	5½%	1964	5.55%
Saguenay Electric Co., Limited	5½%	1953	5.55%
Canadian International Paper Co., Limited	6%	1949	5.68%
Winnipeg Electric Co., Limited "A"	4%	1965	6.28%
Associated Telegraph and Telephone Co., Limited	5½%	1955	6.84%
Northwestern Utilities, Limited	7/6%	1938/49	6.85%
Power Corporation of Canada, Limited	6%	Pref.	5.74%
McColl-Frontenac Oil Co., Limited	6%	Pref.	6.32%
Reliance Grain Co., Limited	6½%	Pref.	6.50%

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Bond Markets

Conversion Offering Has Good Reception

$80 Millions of Victory Loan Exchanged Into Short-term Bonds — Books Still Open on 12-year Bonds

Reception of the Dominion Government conversion loan indicates that it was well timed. Since the announcement of the loan the market for high-grade government bonds has developed a better tone than at any time since the first of the year. Price advances have been general throughout the high-grade list and The Financial Post index has advanced above 112.60 for the first time since early in March.

Books on the short-term issues were closed when $20 millions of the Victory loan had been converted into two-year 1% bonds and $60 millions into five-year 2% bonds. The demand for the short-term bonds was greatly in excess of this amount but as was to be expected the Government put a definite limit on the amount of short-term bonds to be issued.

Books on the 12-year 3¼% bonds are still open so that no estimate of the total amount converted is available. Estimates of $80 millions for the amount converted into 12-year bonds are, however, greatly exaggerated. The amount is nearer to $30 millions. Dealers are offering as high as 102.75 for the 5½% bonds as against the conversion price of 102.25,

There is a considerable amount of Government financing in the offing. New Brunswick has called for tenders on a $3 millions issue. Nova Scotia, Quebec and Ontario are also expected to be in the market in the near future. These will be cash offerings rather than straight conversion as was the Dominion's loan, and may result in a greater revival in trading than did the latter.

Trust Deeds

The Securities and Exchange Commission, Washington, is the sponsor of a bill now before the United States Senate which provides for regulation of indentures and trustees created under bond indentures.

The bill provides that all future trust indentures must comply with certain minimum requirements as to:

(1) Prohibitions against the possession by the trustee of interest materially conflicting with those of the bondholders.

(2) The imposition of active duties upon the trustee.

(3) Restrictions upon "exculpatory clauses" relieving the trustee of liability.

The setting up of a complete set of standards for indentures and the imposition of active duties upon trustees is one which might well be given consideration by federal and provincial authorities in Canada. All too many corporation bonds went into default during the depression years without immediate action being taken by the trustee to protect the interests of the bondholders. Most trustees in Canada, in fact, wait until instructions have been received from bondholders before taking action on their behalf. It should be the duty of the trustee to institute proceedings for the protection of bondholders as soon as notified of the default.

More complete information should also be given the investor in regard to the provisions of the trust deed. Too many investors found to their sorrow during the depression years that there was less security behind their bonds than they had thought.

* * *

Second Grade Bonds

New York bond analysts are warning holders of second grade bonds against being lulled into a feeling of too great security by their impressions of the recent decline in bond prices.

The price declines so far have not caused the holders of second grade bonds any larger losses than shown in high-grade corporation issues, and at the same time the yields on the former remain higher. Should a prolonged decline in bond prices set in, however, quality will come into play in the latter stages and declines will be closely in line with the quality of the issue involved.

Second grade bonds are dependent on a continued improvement in earnings and continued public confidence in favorable future prospects. For this reason holders of second grade bonds should keep a close watch on stock prices for signs of changing public sentiment regarding future business conditions.

Most bond analysts are recommending a flexible investment policy to cover rapidly changing conditions. In this regard a high percentage of short-term issues in bond portfolios is suggested.

* * *

Market Trends

Trading in all classes of bonds remains somewhat dull.

Improved sentiment has been evident in the Western provincial list. Manitoba issues have been in greater demand than for some time and on the strength of this have advanced one to two points. Saskatchewan and British Columbia issues have also advanced. Alberta bonds have strengthened although they have, for the most part, been inactive.

A better tone has also been evident in the corporation list, high-grade issues moving in sympathy with the government bond list.

Quebec utility issues such as Saguenay Power, Shawinigan Water and Power and Montreal Light, Heat and Power have strengthened; Montreal Tramway 5's of 1955 have recovered 2½ points to 79¼.

The trend of the high-grade market is indicated below:

The Financial Post Index of Average Price and Yield of High-Grade Gov't. Bonds

1937	Price $	Yield %	1936	Price $	Yield %
May 10	112.61	3.413	May 9	114.71	3.277
May 8	112.61	3.413	May 8	114.66	3.281
May 7	112.50	3.424	May 7	114.63	3.286
May 6	112.14	3.449	May 6	114.50	3.297
May 5	112.14	3.449	May 5	114.49	3.296
May 4	112.07	3.453	May 4	114.49	3.296
Year's	116.81	3.026	Year's	117.91	2.966
Range	111.60	3.505	Range	111.50	3.597

SALE

PROVINCE OF NEW BRUNSWICK, CANADA

$3,000,000.00

SINKING FUND DEBENTURES

The Government of the Province of New Brunswick will receive tenders up to three o'clock P.M., A.S.T., on the 19th day of May, 1937, for $3,000,000.00 Province of New Brunswick debentures as follows,—

Debentures to be dated the 1st day of June, A.D., 1937, interest to be payable half-yearly on the 1st day of June and the 1st day of December, principal and interest payable in lawful money of Canada at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., or at the Bank of Montreal in Halifax, Charlottetown, Saint John, Montreal, Toronto, Winnipeg or Vancouver, Canada.

Debentures to be in denominations of $1,000.00 or $500.00 at the option of the purchaser with coupons attached and may be registered as to principal only on payment of registration fee. Full payment for said debentures to be made at the office of the Provincial Secretary-Treasurer, Fredericton, N.B., upon delivery of interim securities at said office, cost of exchanging interims to be borne by the purchaser.

Interim Securities to be exchanged for Definitive Engraved Debentures on completion.

Definitive Debentures to be delivered to the purchaser at place named by him.

Tenders may be made for said debentures on the basis following,—

Ten year term with interest at 3¼%.

Fifteen year term with interest at 3½%.

Twenty year term with interest at 3¾%.

Sealed tenders endorsed "TENDERS FOR PROVINCE OF NEW BRUNSWICK DEBENTURES" should be addressed to the Provincial Treasurer, Fredericton, New Brunswick, Canada.

Tenders must be for the amount offered and must be accompanied by a marked cheque for $10,000.00 to be applied in the case of the successful tenderer as part payment for the debentures. All bids to be made in Fredericton funds.

The above debentures will be issued as authorized by Acts of the Legislative Assembly of New Brunswick for the following purposes,—

Permanent Bridges	$ 500,000.00
Hard Surfacing Roads	2,000,000.00
N. B. Electric Power Commission	500,000.00

A sinking fund of ½ of 1% will be provided yearly during the term of the bonds, plus such additional amount as may from time to time be required by law.

The highest or any tender not necessarily accepted.

CLOVIS T. RICHARD,
Provincial Secretary-Treasurer.

Fredericton, N.B. April 29, 1937.

That the Provincial Secretary-Treasurer be authorized to accept the tender which in his opinion is the most advantageous to the Province.

Respectfully submitted.

Approved and ordered. (Sgd.) A. P. Paterson, Chairman.

(Sgd.) John B. M. Baxter,
Administrator of the
Province of New Brunswick.

Beatty Bros. Sales Advance

Sales of Beatty Bros. Ltd. in the current year have continued to run about 17% ahead of those for the corresponding period of the year ended Aug. 31, it is understood. It is anticipated that improvement in earnings should be shown this year despite rising costs for materials such as steel and lumber.

Last year's earnings amounted to $166,065, equivalent to $16.61 a share for the 6% first preferred, $15.61 a share for the 7% second preferred and 42 cents a share for the class A common stock.

Municipal Finances

Brantford, Ont., has made a settlement of the long-standing litigation over the $125,000 bond issue of the defunct Brantford Electric and Operating Co. Settlement of the liability, which was recently upheld by the courts, is to be made by issuing $135,000 of 3½% bonds. The principal bondholder of the Brantford Electric is the Canadian General Electric Co.

* * *

Waterloo County, Ont., reports revenue of $772,812 in 1936 and expenditures of $705,525. After making provision for an overdraft of $13,724 from the previous year, there was a bank balance of $53,463. Debenture debt was reduced during the year to $113,096 from $135,397 in 1935.

* * *

Saint John, N.B., had a deficit of $47,127 on current account in 1936, a reduction of $12,027 from the previous year. Revenue for the year amounted to $1,582,717 and expenditures to $1,629,845. The 1936 deficit brings the total overexpenditure for the years 1932-36 inclusive to $695,623. At Dec. 31, 1936, bank overdraft was $695,623, an increase of $121,099 from 1935.

* * *

Outrement, Que., completed its 1936 financial operations with a surplus of $5,085, compared with $4,661 in the previous year. Revenues totalled $992,870 and expenditures $987,785. Included in revenue is $136,860 of proceeds from the Montreal income and sales tax.

* * *

Calgary, Alta., as a result of the refinancing plan which was proposed by bondholders and approved by the city, has been able to strike its 1937 tax rate at 52 mills, a reduction of four mills. This has been accomplished despite the fact that increased appropriations have been made for a number of departments.

* * *

Weyburn, Sask., has once again struck its tax rate at 48 mills. This makes the eleventh successive year that Weyburn's tax rate has been fixed at this figure. The tax rate this year is divided as follows: general, 35.65 mills; public school, 14.55; collegiate, 5.30; public revenue tax, 2.50.

* * *

Westmount, Que., reports a surplus of $10,954 on its 1936 operations as compared with a deficit of $31,754 in 1935.

* * *

Regina, Sask., plans to install a new 15,000 kilowatt steam turbine generator in its power plant. The cost of the new equipment is estimated at $275,000.

* * *

Edmonton, Alta., has struck its 1937 tax rate at 54 mills, which is one mill below the 1935 rate. While the city had a deficit of $1.8 million in 1935, the 54 mill rate for 1937 will produce a slight surplus, the first in a number of years.

* * *

Redcliff, Alta., bondholders have been circularized by W. L. McKinnon & Co., Toronto investment firm, for proxies in order to enable it to negotiate an agreement with the town for adjustment of its liability to bondholders. The town has been in default for five years and at the present time has some cash on hand which it could distribute on debenture account.

* * *

School Commission of Chicoutimi, Que., is paying interest coupons of May 1, 1937; also interest from Nov. 1, 1936, to May 1, 1937, on bonds matured Nov. 1, 1934, 1935, and 1936.

* * *

Jonquiere School Commission, Que., is paying interest coupons of May 1, 1937, and also interest on past due bonds to that date.

* * *

Jonquiere, Que., has been authorized by the Quebec Municipal Commission to pay interest coupons of May 1, 1937; also interest on past due bonds.

* * *

Laterriere, Que., is paying interest coupons dated May 1, 1937, and interest to that date on bonds which matured Nov. 1, 1934, 1935 and 1936.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Can. Paper, A	6%	1945	June 4	103½
Avon River Pr. D	5%	1964	July 1	103
Can. Steamships	5%	1943	Aug. 15	105
Mar. T & T. A	5%	1956	July 1	104
Simpson, Robt...	5%	1952	July 1	105
Tor. Housing, A	•5%	1953	May 25	105
H. Walker-G. & W. conv. debs. ...	§4½%	1945	June 1	104
Tooke Bros.	▪7%	1942	June 1	107
Mont Louis Seigniory	6%	1944	June 1	100
Aluminium	5%	1948	July 1	105
Aluminium	†5%	1948	May 25	105▲
Nat. Light & Pr.	*6%	1949	May 14	...
Asbestos Corp. ..	6%	1941	July 1	100
Do., ...	3-3½%	1937-8-9		...
Cred. Fon. Franco Can. ..	4½%	1956	July 1	100
Metropolitan Bldg.	7%	1944	July 15	103

For sinking fund: •$37,000. *$22,450. †$300,421. ▲Or less.

§$1,250,000; any of the debentures thus called may be converted into common stock of Hiram Walker-Gooderham & Worts Ltd prior to June 1, 1937 at $45 per share.

▪For sinking fund purposes.

Stock Issues:	Rate	Year	Date	Price
Can. For. Invest.	†8%	pref.	July 1	105

†$100,000.

Religious Issues:	Rate	Year	Date	Price
Soeurs du Sacré Coeur, Ottawa .	4½%	1937	June 1	101
La Congrég. de Saint Dom. du Tiers-Ordre Enseignant. Valleyfield	5%	1937	June 1	100
Soeurs Grises de la Croix, Ottawa .	5%	1937	June 2	102
Collège Notre Dame. Côte des Neiges	4½%	1937	June 1	101
Fabrique Saint Vital. Montréal-Nord	5%	1937	June 1	101
Soeurs Sainte Marthe	5%	1937	June 1	100
Soeurs de Charité d'Halifax	6½%	1937	July 1	105
R. C. Bishop St. John	5%	1939	July 1	101

Reserves Policy Kept By Canadian Cottons

Company's Shareholders Are Asked to Approve Inventory Valuing System — Business for Year Reported Better

Stressing the "conservative policy" followed by the company's executives, Dr. A. O. Dawson, president of Canadian Cottons, Ltd., states that "only favorable criticism has been received from shareholders and many others."

The company's annual report for the fiscal year ended March 31, 1937, fails to show the "concealed" inventory reserves reported to the Royal Commission on the Textile Industry in 1936. In his remarks to shareholders, however, Dr. Dawson refers to the company's methods of valuing its inventory and preparing its financial statements, which came in for criticism from the Commission's counsel, J. C. McRuer, K.C.

He adds:

"Your directors do not therefore recommend any departure from the company's policy of conservative valuation, and at the coming annual meeting (May 21) a resolution approving of this policy will be submitted for your consideration."

In the evidence brought out by the Royal Commission it was shown that Canadian Cottons had used an arbitrary price of five cents a pound in valuing its raw cotton inventory for its annual statements for the years 1932 to 1936 inclusive. Market value of cotton today is about 13.5 cents a pound. Apparently the company is going to continue this method of valuation.

Wage Increase

Recent improvement in volume of orders booked, according to Dr. Dawson, will be reflected in the company's earnings. Because of this an increase of 6% in wages of the company's employees has been granted. A previous 6% increase was announced in Dec., 1936. At that time, it was stated that this restored wages to the highest level prevailing before or since the Great War. The latest increase will be maintained as long as conditions make it possible to do so, according to Dr. Dawson.

Dealing with the present level of tariff protection given the Canadian cotton industry, Dr. Dawson makes a plea for assistance. According to Dr. Dawson, the reduction made at the last session of Parliament made these duties about 3½% less than the duties collected on cotton piece goods going into Great Britain from non-Empire countries. Wages in Canadian cotton mills are stated by Dr. Dawson to be more than 60% higher than the wages being paid by the cotton industry in the United Kingdom.

Dr. Dawson does not say that the Canadian cotton industry cannot prosper under the present tariff protection. He does point out, however, that, when the time comes again that English mills will be more eagerly seeking orders to keep their mills operating, the present Canadian tariff will be inadequate. The company's policy is to be one of strengthening its position so as to be able to face this situation when it arrives and to meet effectively competition from other countries where the standard of living is lower than in Canada.

Competition From Japan

A number of looms at the St. Croix rayon mill of Canadian Cottons have been shut down, being unable to meet the competition of imported Japanese rayons. The future of this unit, according to Dr. Dawson, is far from encouraging as it is still being operated at a loss. The remedy, as stated by Dr. Dawson, lies with the Dominion Government, which can restrict importation of Japanese rayons.

Regarding the outlook for the 1937-38 fiscal year, Dr. Dawson states that the directors feel this will be a profitable one for the company. Prosperity for the English cotton industry, in the belief of Canadian Cottons' directors, will do more than anything else to bring prosperity to the Canadian textile industry. If the cotton mills of Great Britain continue as busy as they are at present, a better price structure will be maintained in the industry and duties on cotton goods coming into Canada will be collected on prices showing a profit rather than a loss, states Dr. Dawson.

Grande-Baie, Que., is paying interest coupons of May 1, 1937; also interest from Nov. 1, 1936, to May 1, 1937, to bonds matured Nov. 1, 1933, 1934, 1935 and 1936.

TOWN OF ORILLIA

Applications Town Clerk and Treasurer

APPLICATIONS WILL BE RECEIVED by the undersigned, up to and including May 20th, 1937, for the position of Town Clerk and Treasurer, to take office June 1st, 1937.

APPLICATIONS will be favoured from persons qualified to assume the duties of Town Manager, should the Town of Orillia adopt such a form of government in future.

CARRIE M. JOHNSTON,
Clerk and Treasurer,
Town of Orillia.

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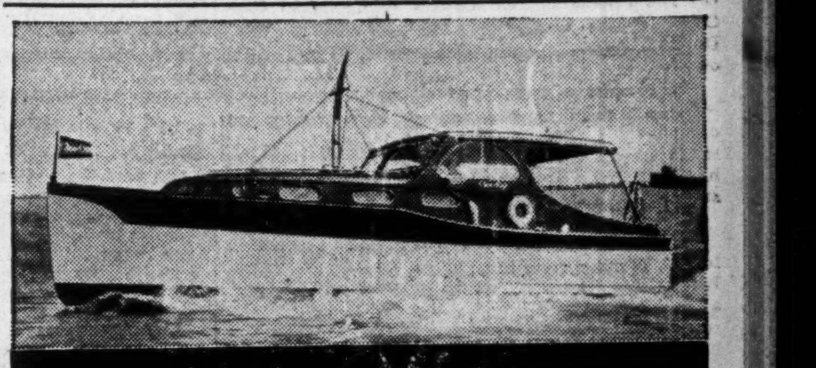

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TORONTO, MAY 15, 1937

The Financial Post's Platform for Canada

1. *Balanced budgets.*
2. *Abolish politics in C. N. R.*
3. *Merit system in public service.*
4. *Freer foreign trade through Empire preferences and foreign treaties.*
5. *Stable tariffs for balanced development.*
6. *Stricter laws to protect investors.*
7. *An even break for Canadian national newspapers and periodicals.*
8. *A modernized constitution.*
9. *Integrity in meeting public obligations.*
10. *Wider markets for our farms.*

It Was Sucker Bait After All

LAST January a leading daily newspaper published a number of articles suggesting that an early increase in the price of gold was hardly to be avoided.

At that time, The Financial Post suggested that some people ought to be careful less their wishes become father to their thoughts. The crisis the United States was facing as a result of the tremendous inflow of gold was outlined and it was pointed out that, while it was not likely that the United States would write down the price of gold, it was nevertheless true that such action would be timelier under present circumstances than the reverse.

Finally The Post commented that a good deal of the talk about raising the price of gold was just so much "sucker bait."

It is now apparent that, at the very time the special articles on the prospect of an early rise in the price of gold were appearing, a great many of the largest holders of gold shares were lightening their load. In view of what has happened to the market since, the definition of the January articles as "sucker bait" seems to have been reasonably accurate.

Urges More British Imports

BRITISH industry is a little disturbed in its peace of mind by the fact that the Government delayed its rearmament programme until boom conditions had already arrived. "One could wish," said Lord Hirst, president of the Federation of British Industries, the other day, "that this rearmament scheme had been started three or four years ago when industry was depressed and factories were short of orders."

One of the embarrassments created for British industry is the difficulty of filling domestic orders without rationing exports. It is of interest to Canadian industry that Lord Hirst urged his home manufacturers to hold their export markets at all costs. "It may be better for the time being to satisfy our domestic requirements by importing more freely from abroad, if thereby we can maintain and increase our export trade," he said.

". . . As Dreams Are Made Of"

IT IS recalled by the Edmonton Journal that two weeks after the last Alberta election Mr. Aberhart issued a detailed statement of his plans in the course of which he declared:

"I have no hesitation in saying that I am convinced that the resulting prosperity will exceed the greatest expectations of our people."

A few days later Major Douglas in a London interview denied that there was any disagreement between him and Mr. Aberhart and insisted that "15 months from now Alberta will be a blessed land." It would become "one of the show places of the world." There would be no poverty here, if the credit of so rich a province were made fully available to its people. The Major continued:

"Everyone will have enough to eat, a decent house, opportunities for recreation and adequate leisure. . . . The men who have been elected to office are capable of tackling the formidable task that confronts them. . . . Mr. Aberhart is a man of magnetic personality. . . . He promised during the election to pay every Albertan $25 a month. I hope and believe that, once his plans are in full operation, that figure will be substantially raised."

Mr. Aberhart continues to make promises. But surely the good citizens of Alberta are beginning to have some doubts about his ability to deliver anything but disappointment and misery.

A dream is a dream and practical people usually stop dreaming when they wake up.

Skilled Men for Tomorrow

IT HAS been suggested that in the broader application of the apprenticeship plan there lies an opportunity for Canadian industry to provide the country with a larger supply of skilled mechanics.

There is much unemployment but there is also a shortage of trained men. Every youth taken out of school or out of the unemployment ranks for training is a future citizen saved from the destructive influence of relief and assured of an honorable place in the community; assured of a chance to work and advance.

In his address at his annual meeting, Wallace R. Campbell, president of the Ford Motor Company of Canada, gave some quite remarkable facts concerning the extent of that company's very creditable work in training future employees. He said:

"A revision and extension of the company's apprenticeship plan has recently been made. At the present time there are 94 apprentices employed under indenture, the greater number of whom are learning the trade of tool and die making. Departmental training is supplemented by classroom lectures on subjects relating to the trade. Boys between the ages of 17 and 20 years and with certain educational qualifications are enrolled for this training. The duration of the course is 4 years and the hourly rate of pay is graded upward each year. Provision is made that in the fourth year of service the apprentice will be paid the minimum hourly wage rate prevailing at that time. It is anticipated that the majority of the young men completing this course will remain in the company's service."

This is an example to other industries that have not yet used apprenticeship to the full in training their future skilled workmen. Some of the labor unions place onerous restrictions upon the employment of apprentices, no doubt with the intention of protecting their own members from competition of new workers. This is rather shortsighted because the country as a whole is bound to benefit from training its workmen to larger tasks and larger incomes.

Recently General Motors' new president, William S. Knudsen, was asked what he would advise a young man in this age. He replied:

"I would advise him to learn to do something with his hands."

Exit the Moderates

LAST November The Financial Post presented a line-up of Mr. Aberhart's Cabinet according to the social and economic philosophies of the members. This is it:

Right Wing	Neither	Left Wing
Cockroft	Aberhart	Cross
Ross	Manning	Fallow
Chant	Hugill	Maynard

What has happened since? Every one of the three Right Wing or moderate Cabinet ministers has disappeared from the Cabinet. The others remain. Surely that tells a story. Apparently men of moderate point of view cannot stick with Mr. Aberhart.

This suggests that perhaps we were overgenerous to Mr. Aberhart in giving him a position on the fence.

Mining Takes a Bow

AMONG recently published figures concerning the Ontario Hydro-Electric Power Commission, none are more interesting than those relating to the Abitibi district.

This district is the one formed around the Abitibi Canyon power development when the Provincial Government took it over from financiers whose plans to complete it were upset by the depression. There was some criticism of the price paid by the Government for the unfinished project. On the auction block it could have been bought in at much less than the province paid. Whatever the motives of the Government, it gave the bondholders a very generous deal.

The growth of mining in the north country is creating vast new markets for power from the development. Gross revenues from the sale of power increased from $935,000 in 1935 to $1,411,000 in 1936.

In consequence, the enterprise was able last year to show a profit of $56,000 after full provision for interest charges. In the previous year the loss was $272,000.

After provision for sinking fund the deficit was $223,000, a reduction of about $300,000.

The record is evidence of the type of contribution the mining industry is making. The money that the industry is providing to carry this far north power project is only part of the new wealth turned out to stimulate industry, add to employment and create dividends for investors.

The Trailer Craze Will Die

WHENEVER a new craze hits this continent, there are always those who assume that a new and permanent trend has developed. The motion picture was going to oust the stage. The airplane was going to end the passenger train. The prefabricated house was going to put the builder out of business.

Now it is the trailer. Amateur statisticians have it all figured out that if the purchase of trailers continues at the present rate for 10, 12 or 15 years, the entire continent will be on wheels and no one will have a fixed abode. Municipalities will decay, property values will disappear and life will be completely changed.

This estimate sounds very much like one published in a serious British journal the other day, that if British population continued to decline at the present accelerating rate, there would not be a single soul living in the British Isles in another eighty years.

What all such estimates overlook is that new ideas and developments go through a rapid stage of expansion and public enthusiasm, which is followed by a period of consolidation as new problems develop. The chain store, at one time, was supposed to be threatening every independent store with extinction. But the independents are coming back strongly because the chains no longer enjoy the exclusive advantages that gave them their greatest initial stimulus. The improving standards of the independent stores added to the new problems of taxation and of competition with one another that the chains have run into, have again restored the balance between the chains and the unit stores

Last year probably saw the trailers at the peak of their expansion. This year will see the trailers face to face with problems that were overlooked by the more enthusiastic forecasters of a year ago. Already, municipalities all over the continent are imposing more rigid measures of control upon trailer camps. State and provincial governments will add their own regulations as trailers interfere with the normal life of permanent residents of different areas and as they cut into provincial and state revenues.

The trailer serves a most useful purpose in adding enjoyment and interest to a vacation. But once let the trailer interfere with property values or public revenues and it will immediately be made the subject of restrictive regulations and taxation.

Let us not assume that the trailer has brought us a new way of life. The North American people are not a nomadic race They will never consent to any legal or taxation advantages being given to those who uproot themselves from their home towns to become wanderers on the face of the concrete.

Editorials in Brief

The New York Times's new phrase for an editorial with fight in it: "a spinal column."

* * *

Stalinite Russia is greatly worried about the "subversive" activity of the Trotskyites. It's about time Moscow got some of its own medicine to take.

* * *

Companys, the head of the Catalonian Government in Barcelona, is President Luis Companys, no relation to Barcelona Traction, Light & Power Company.

* * *

William Knudsen (the "K" is silent as in know), new president of General Motors Corporation, distills the essence out of the gasoline-versus-Diesel controversy by saying:

"The Diesel is a good mule; the gasoline engine is a horse."

* * *

"A blue automobile of American make drew up to the curb." How often one reads some such phrase in cables from London or European points!

Probably the dispatches are wrong more than half the time and would be more accurate if they referred to "an automobile of Canadian make."

* * *

William Gillette, the actor, in his will, asked that his miniature railroad not be sold to "some blithering saphead."

No slang, "saphead" is a good old English word found in the Oxford English Dictionary with the definition "A fool, simpleton." A saphead is one whose intellectual energies have been sapped.

* * *

Last week a man dropped into the office to say we had misspelt "obbligato." One "b" would suffice, he said. We handed him the Columbia Encyclopedia which spells it as we did and defines "obligato" as "the common misspelling of obbligato."

Most dictionaries give alternative spelling, with preference for the double "b."

* * *

State subsidized weddings, bonus payments to large families, taxes on bachelors and similar schemes are an old story in European countries, but there is something unique in the announcement appearing in current advertisements of the Canadian National Steamships offering 25 days' all-expense cruises to Jamaica, Bermuda and Nassau.

The announcement, prominently displayed in the advertisements, says:

"10% reduction for honeymooners."

* * *

Ontario's huge surplus is a highly commendable accomplishment by Premier Mitchell Hepburn, who is also provincial treasurer. The biggest flaw on his Government's escutcheon is the repudiation of power contracts and the discrimination against Beauharnois Light, Heat & Power Co., the only one of the four firms which has not had a new deal from the Government. With the resignation of the former attorney-general, Arthur W. Roebuck, who authorized that scandal, there is no reason why this blot on the good name of Ontario should not be wiped out, at least to the extent of some form of compromise contract.

Sayings of the Week

"I don't want an election, it would cost the taxpayers a lot of money."—*Premier Aberhart.*

* * *

"We have emerged from the depression. The danger is that we are now going into a boom." *Irving Fisher.*

* * *

"The navy, like the air force, believes the best form of defense is a bold offensive." — *Sir Samuel Hoare.*

* * *

"No policy can succeed in a free country which is in conflict with the moral standards of the people."—*Anthony Eden.*

* * *

"Returning to the farm may be a hard dose for some people, but that is where they are headed for eventually."—*Henry Ford.*

* * *

"We are not seeking to dominate the world but only to make ourselves and the Empire communications safe."—*Rt. Hon. Neville Chamberlain.*

* * *

"I can sympathize with social help, social effort, social anything, but when it comes to social destruction I quit."—*Stephen Leacock on Social Credit.*

* * *

"In the long run workers and employers gain about as much from strikes and lockouts as farmers gain from floods and drought."—*Roger Babson.*

* * *

"I am overwhelmed with the fact that everywhere there is fear, and in Britain this fear has been described as madness." — *George Lansbury.*

* * *

"The people of Germany no longer harbor ill-will from the war. There remain now only respect and sympathy for our former enemies."—*Adolf Hitler.*

* * *

"Those who would redistribute wealth seem too often to exaggerate the amount of wealth which is available for redistributing." — *Sir Edward Beatty.*

* * *

"It is a clumsy method, but so far as one can see ahead, unless there is a change in human nature, collective bargaining will be a necessity."—*Stanley Baldwin.*

* * *

"We would like very much to raise wages and dividends, but a pie has only so many portions." —*Colby M. Chester, president of the National Association of Manufacturers in the United States.*

—Cartoon by Grassick.

WORK TO DO

The Senate on Guard . . .

New Westminster British Columbian

The supreme duty of the Canadian Senate, as of other upper chambers, is to guard against the errors, to give them no harsher name, which from time to time are committed by elective bodies for reasons that need not be enumerated. Passage of the Combines Act of the Mackenzie King administration at the session of Parliament just closed affords an illustration of the sort of error likely to be made and demonstrates that the Senate is not unmindful of its duties in that regard. As originally conceived the Combines Act was a drastic measure. It would have conferred on the combines commissioner authority to enter a business establishment, seize books and documents, compel production of documents, compel attendance of witnesses, and punish drastically for any failure to comply—and all without due process of law.

In its amended form the act requires the commissioner, before he enters any business establishment for purposes of seizure or compulsion of witnesses, to secure judicial permission, either from the chairman of the trade and industries commission, providing that official is a judge of 10 years standing, or else from a judge of the exchequer court.

It is thanks to the Senate that the Dominion statute book does not now contain this particular piece of legislation invading the rights of citizens and the liberty of the subject; and it may be due to the lack of a second chamber that the statute books of two provinces have recently been cluttered with two similar measures. A member of the House of Commons recently linked communism in Russia, nazism in Germany and fascism in Italy with the padlock law in Quebec and an amendment to the securities act in Ontario. The Quebec measure gives the attorney-general of that province power to padlock any premises used for propagating communism or bolshevism and makes the propagation of communistic ideas in any form illegal. No matter how much one may dislike communism, it is obvious that this legislation is a definite interference with the established right of free speech.

The Ontario legislation has a certain resemblance to that which the Senate denatured. In a recent issue The Financial Post had this to say about it:

"Bill 110 had an innocuous enough label. It was an act to amend the Ontario Securities Act . . . . In a few tyrannical sentences, it sweeps away the personal privileges of the citizen . . . ."

Communism, nazism, fascism — after all, these are but names. The essence of them all is dictatorship, and the depriving of the individual of his liberty to speak or act within the law as he will. And people who allow legislation of the raid-and-seizure type to go through "like an act to divert Smith's Creek" may have cause to repent their apathy.

New Books . . .

The Newest Science

THE SCIENCE OF SOCIAL ADJUSTMENT. By Sir Josiah Stamp. Published by the Macmillan Company of Canada, Toronto. Price $2.50.

One of the most brilliant and amazing of Englishmen is Sir Josiah Stamp. A great civil servant and Britain's leading authority on public finance, he immersed himself in the affairs of business as chairman of one of the big three railway systems, taking time out occasionally to act as chairman of some great commission of enquiry. His prodigious energies are ill-satisfied by such massive activities and he writes numerous articles and public addresses on economic, social and scientific subjects. He has become a foremost interpreter of each of these branches of life to the other branches.

Today, his chief interest seems to lie in finding a scientific basis for such interpretation. He seeks the means of adjustment of life to the impact of modern learning, whether in the field of physics, chemistry, power, mathematics, economics or government.

Several of his recent papers are gathered together in "The Science of Social Adjustment." The most important one is "The Impact of Science Upon Society" which was his presidential address to the British Society for the Advancement of Science, a penetrating analysis of a familiar problem that is as neglected as it is familiar—the need for speeding up the process of social adjustment to the tempo of the advance in scientific knowledge.

Social Rhapsody

A FOREIGNER LOOKS AT THE TVA. By Odette Keun. Published by Longmans, Green and Company, Toronto. Price $1.50.

Madame Keun finds it necessary to begin her study of President's Roosevelt Tennessee Valley Authority experiment with a definition of liberalism. She professes an undying opposition to Socialism and Communism. Yet the loose usage of North American ideologies would classify TVA as an experiment in applied socialism. To Madame Keun, a French woman with that rare combination of qualities—a scientific mind and a sense of humor—TVA is not Socialism; it is liberalism. Liberalism is to her an effort to create a society based upon private initiative, but a society that is made to work through the resourceful powers of government, and a society that at the same time protects the individual against restraints upon his liberties. Not the least interesting feature of her little study is the manner in which she rationalizes her approval of TVA experiment with her concept of liberalism.

As a reporting job, as a description of the TVA project shorn of technical details, Madame Keun's study is splendid. As a study of all the political and financial aspects of the development it is inadequate. The private public utility companies of the South, who will dislike her analysis of the situation, have much to answer for; they could have put over the TVA project themselves with the emphasis upon social values rather than upon stock market profits, but they didn't. Now the United States Government is trying to do it. Madame Keun probably underestimates the seriousness of the political exploitation that is possible and, in fact, certain in the final development of the enterprise.

That is what makes "A Foreigner Looks at the TVA" a social rhapsody as much as an economic analysis.

Student of Keynes

ESSAYS IN THE THEORY OF EMPLOYMENT. By Joan Robinson. Published by the Macmillan Company of Canada, Toronto. Price $2.50.

Mrs. Robinson is one of the few women to establish herself among the front rank of theoretical economists. From Cambridge cloisters, she writes in a severely academic strain for the edification and inspiration of her fellow economists. In her present volume, she has taken from John Maynard Keynes' recently published "General Theory of Employment, Interest and Money" a few propositions which she has applied to specific problems.

As Others See Us . . . .

Aberhart's Dilemma
Midland Free Press

The Calgary Albertan, which The Financial Post styles as "Mr. Aberhart's tame newspaper," explains the idea behind Social Credit in this way:

"When we speak of Social Credit we do not mean Social Debt. We mean credit without debt."

The idea appears to be that you can issue all the money you like and never have to redeem it, borrow what you want and never have to pay it back, in other words obtain something for nothing. We do not wonder that the people of Alberta jumped at the chance, but now Mr. Aberhart is finding that he cannot put it into effect. Wealth cannot be created out of thin air.

Another "Police Court"
St. Catharines Standard

When Royal Commissions are appointed in this country, they are supposed to bring out the facts impartially. In the case of the Price Spreads enquiry, in Parliament, it is noted by The Financial Post, where the then Prime Minister called counsel to his office and told him plainly he was not prosecuting charges in a police court. But wasn't the procedure of the textile Royal Commission by counsel something just like that? A Royal Commission which has a political axe to grind loses its entire value.

Col. Maclean and Weekly Press
Enterprise-Bulletin,
Collingwood, Ont.

For many years it has been our privilege and pleasure to have had a somewhat intimate acquaintance with Col. John Bayne Maclean, president of The MacLean Publishing Co., Ltd. Again and again throughout that period we have heard him proclaim the importance of the place occupied by the weekly newspapers of the province. Further, we have heard him many times stress the value of the weeklies in the rounding out of public opinion. It is therefore not surprising to find, in a recent issue of The Financial Post, one of the outstanding publications of The MacLean Company, a word of approval and appreciation of that section of the press in which he has kept so watchful an eye.

Fundamentals of Free Speech
Yarmouth Herald

As readers may have begun to suspect, this journal does not always see eye to eye with the esteemed Financial Post, of Toronto.

But an editorial from The Post so exactly states the case for personal liberty, free speech, free press and free assembly, that we make no apology for reprinting it at length.

Our Sane Country Weeklies
New Liskeard Speaker

Under the above heading The Financial Post, Canada's leading financial journal, refers to the difficulties under which the weekly newspapermen of Alberta have been working since the wild dream of Aberhart and the people of Alberta completely upset conditions in the western province. The Financial Post's remarks are to the point and should be carefully read by all.

When Spending Power Dries Up
St. Catharines Standard

There is probably no economic phenomenon to compare with a labor strike in a big industry which will dry up spending power in the community more expeditiously and completely. It is a well established fact that the situation at Oshawa with the possibility of strife in the big General Motors plant in this city, has had a jittery effect on business, mercantile and real estate particularly.

The Financial Post sizes the situation up as it developed in Oshawa during the past two weeks . . . . . .

The more the strike situation at Oshawa is reviewed, even right from its precipitation when the men were ordered out while negotiations were still in progress, the more useless and futile does the employment of that last resort weapon by the workers appear to be. The loss surely could have been avoided, and the gains secured without the cost.

Praise for the Weeklies
Fort Erie Times-Review

The Government of Premier Aberhart seems to be going from bad to worse in the Social Credit province of Alberta. Swept into office two years ago on a wave of popular enthusiasm for his plan to pay everybody $25 a month, the radiorating Bible preacher has had a hard time of it trying to make good his pre-election promises.

The press generally has managed to hold public opinion generally to a safe course against the more violent of these new-day philosophies of government. The weekly press has played its part in continuously opposing the plans of Premier Aberhart in Alberta, according to The Financial Post.

The weekly press of Canada has a very good record of integrity and devotion to public interest. It is such instances as that of Alberta which emphasize that integrity and help maintain the very important position the press holds in public regard.

Compliments Weekly Press
Alameda Dispatch

Two weeks ago we published a reprint from the editorial columns of The Financial Post, Toronto, in which that leading financial journal of Canada paid a distinct compliment to the weekly press of this Dominion. If there is any journal which should know of what it speaks, that journal is The Financial Post; one of the publications of The MacLean Publishing Company, Limited, of Canada.

Too long has there appeared to be a distinct line drawn between the various classes of newspapers published in Canada; the daily press while filling a leading position in the supply of news, has not considered the position of the weekly newspapers, filling a position which no daily newspaper could ever hope to fill. The Dispatch has always taken the position that the weekly newspapers were complementary to the daily newspapers and each has its own distinct field to fill.

It is therefore a great pleasure to have one of the leading newspapers of Canada publicly eulogize the men and women who are responsible for the production of the weekly newspapers which circulate throughout the homes of this great Dominion from coast to coast. It may not have occurred to many readers of the daily press, that the opinions and comments contained daily in the metropolitan press of Canada, have been arrived at after only short consideration, for speed is one of the essentials of the daily newspapers; while the opinions and comments appearing in the weekly newspapers from week to week, are the result of considered thought which the editor of a weekly paper has time to give between the issues of his paper.

Post-Scripts

Heard on the Radio

THERE are a few expressions in the English language that admirably convey annoyance, vexation or disappointment.

When the Hindenburg blew up at Lakehurst, the National Broadcasting Co. made immediate arrangements to broadcast from a mobile unit near the field. The regular programme, on a national hook-up, was interrupted to make way for "spot news" from the scene of the disaster. The wires were open and the technical man at RCA could be heard: "Calling Mr. Herring at Lakehurst . . . calling Mr. Herring . . . calling Mr. Herring." There was no response and the regular programme was continued. A few minutes later another attempt was made to get in touch with Lakehurst. After calling Mr. Herring by name for a minute or two, the technician was able to make a momentary connection and then lost the contact. The announcer broke in to say that N.B.C. had not been able to contact Mr. Herring, but would try again. There was a momentary lull in the broadcasting, then the technician, who had been working like a Trojan to make the connection was heard to say in an undertone of hearty annoyance "oh, damn."

The A.B.C. of the N.D.C.

BRILLIANT wit continues to enliven the debates of the House of Commons in London even when such dull subjects as the budget are under consideration. R. C. Morrison, the Labor member, kept the House in laughter with his comments. We extract briefly from the sober-sided Times report:

"He had not heard a single word of eulogy of the budget since it was introduced. An omnibus conductor discussing it that day with some people in the omnibus used an expression which he failed to understand. He said that 'the N.D.C. is N.B.G.'

"The part of Mr. Chamberlain's speech which interested him most was the list alphabetically arranged of the suggestions which had been made to him for new taxation. When he (Mr. Morrison) was reading the newspapers that day he came on a great variety of expressions with regard to the budget. He had collected those expressions taken from the financial newspapers and had arranged them alphabetically. They were: Anger, astonishment, bludgeoning, bleeding industry——"

"Mr. CHURCHILL (Epping, U.)—'Now, be careful.'

"Mr. MORRISON.—'The right hon. gentleman need have no fear.' The hon. member continued his list with dismay, disaster, erratic, enrage, farewell, folly, futile, and Gradgrind Chancellor. He found that Gradgrind was defined as: 'One who regulates all human things by rule of compass and mechanical application of statistics, allowing nothing for sentiment, emotion, and individuality.' The word was derived from Thomas Gradgrind in Charles Dickens's 'Hard Times.'

"The list continued, height of folly, hamshackle, insecurity, instability, jerry, jumping Jack, knavish, loose, malignant, numb, oppressive, perilous, quarrelsome, slap-dash, tangled, unwanted, unfair, violent, vicious, wicked, and wanton. Then came yahoo, about which he consulted a dictionary and found it meant as of despicable character. Finally there was zealot, which he discovered meant one who was warmly engaged in anything."

Other People's Views . . . .

United Front
Regina Leader-Post

We are pleased to note, in order to keep the balance true, as John Gilpin said when he tied a bottle at each side, that the Clarion, Communist newspaper published at Toronto, regards the C. C. F. papers as filled with incorrect news stories.

Usually the Communist blow is aimed at the capitalistic press, the snake-in-the-grass instrument of the "big shots." For this reason it is interesting to note that the Communist paper regards the C.C.F. papers as a bunch of liars—just like the rest of us.

The Alberta Session
Calgary Herald

The net result of the third Social Credit session, which stands adjourned for two months, is an increase in the confusion and uncertainty that have retarded business recovery and impaired investor confidence ever since the advent of the Aberhart Government. The lack of a clear-cut programme has never been so pronounced as in recent weeks.

Sit-downs and Low-downs
Nation's Business, Washington

Politics, it is said, makes strange bed-fellows. Ditto, labor politics. Here is how John L. Lewis publicly characterized three labor leaders in 1930:

"Fakirs, repudiated leaders, traitors to the unions, opportunists and purveyors of every falsehood, slander and deception . . . ."

The three men were Brophy, Hapgood, and Germer, today the ace lieutenants of Lewis in the C.I.O.

And here is what Brophy, Hapgood, and Germer said of John L. Lewis in 1930:

"The history of the United Mine Workers of America under the régime of John L. Lewis has been an unbroken series of defeats and calamities throwing hundreds of thousands of our members and their families into the depths of poverty and destitution."

Stop Me If You've Heard This One . .

A commercial traveller put up for the night at a small country inn. In the breakfast room the following morning he was asked by the landlord how he had enjoyed the cornet playing in the next bedroom during the night.

"Enjoyed it!" was the reply. "I should think not, indeed! Why, I spent half the night pounding on the wall to make that fellow stop."

"I'm afraid there's been a misunderstanding," said the landlord, stiffly. "The cornet player told me that the person in the next room applauded him so heartily that he played every piece he knew five times over."

Week in Business

Trend Still Uncertain Indications Favorable

Construction, Spring Trade and Wheat Crop Not Far Enough Advanced to Make Forecast — Routine Trade Is Satisfactory

Mid-May constitutes a sort of "in between seasons" so far as major determining factors in Canadian business are concerned. Sharp recovery in the steel, lumbering and base metal industries of the last six months is now taken for granted and is a matter of routine. New major developments are looming but for the time being at least their trend remains undefined. The general business barometer continues to point toward fair with nothing of a spectacular nature expected immediately ahead.

* * * *

The season is not yet far enough advanced to determine whether the anticipated recovery in construction has really started or if this is to be throttled by higher prices. The western wheat crop is still several weeks short of any conclusive stage. Even spring retail trade in clothes, clothing, boots and shoes, automobiles and home equipment has not reached a stage where a fair comparison with other years can be made. Generally the season in this regard has been late.

* * * *

But routine news continues to be generally on the favorable side. The almost perpendicular rise in commodity prices, which for a few weeks threatened a bubble boom, has sobered down and there is now considerably more assurance of adequate supplies. Carloadings in Canada continues to show steady improvement. Exports with a few exceptions are mounting. Nearly all staple retail lines are moving in volume slightly ahead of a year ago. Collections are reported good to fair.

* * * *

Rising wage scales are usually accompanied by more prosperous company reports and so long as the two consort little danger is to be anticipated. But the trend toward higher rates of pay for labor in Canada in the last six months has become so general that the few still depressed industries are being dragged into the procession. The tendency has been for the most prosperous to set the pace and due to a boom in certain types of exports this pace has been abnormally fast.

* * * *

Wholesale trade in Canada for the first quarter of the current year showed a gain of 16% over the first three months of 1936, according to a survey just completed by the Dominion Bureau of Statistics. Gains were general in every province, although most pronounced in British Columbia and the Maritimes.

Biggest beneficiary was the hardware group, which showed a total gain of well over 30 per cent with sales particularly heavy in the eastern half of the country. There were also substantial increases in automotive equipment, drugs, footwear and clothing.

* * * *

Business Indicators

Manufacturing — Sugar consumption, often used in measuring a nation's standard of living, has been improving in Canada. Refined output was up substantially in March and cumulative total for year to date well ahead of same period in 1936. Boots and shoe production up, but flour output down slightly.

Trade—Flour exports for April better than same month a year ago, but cumulative for year to date lower. Increasing competition from English and American millers in foreign markets blamed Wheat exports down 40% from a year ago, but then Canada was liquidating a surplus accumulated over the previous three years and was little hampered by the small Argentine crop. This year there was a big harvest in the Argentine and it was largely marketed in April, March and February.

Railways — Carloadings continue to improve on consistent gains. Up 5% first week in May and cumulative to date runs 10% above a year ago.

Current trend of Canadian business is revealed in the following statistics especially compiled by The Financial Post; new figures this week being marked thus▲:

	WEEKLY DATA —Latest—		—Cumulative Total— Jan. 1 to date	
	1937	1936	1937	1936
Transportation—				
Car loadings (May 1)	▲49,447	47,228	801,447	720,599
C.N.R. gross earn. (Apr. 30)	$ 5,333,641	$ 4,884,024	$ 62,263,121	$ 56,208,502
C.P.R. gross earn. (Apr. 30)	$ 3,827,000	$ 3,236,000	$ 43,714,000	$ 39,862,000
Business Conditions—				
Weekly index D.B.S. (May 1)	▲109.6	106.1	......	......
MONTHLY DATA				
Business Conditions—				
Financial Post index (Mar.)	118.3	106.0	......	......
Transportation—				
C.P.R. net revenue (Mar.)	$ 1,738,164	$ 1,347,733	$ 3,642,413	$ 2,827,703
C.N.R. net revenue (Mar.)	$ 1,762,380	$ 941,533	$ 2,317,496	$ 76,741
Iron and Steel (Mar.)—				
Pig iron production (tons)	70,986	65,009	199,381	172,096
Steel ingots and castings prod. (tons)	125,104	101,092	352,164	294,682
Automobiles (Number)—				
Passenger Cars:				
Domestic sales* (Mar.)	13,378	9,490	30,701	18,548
Factory output (Mar)	19,313	14,488	48,737	36,602
Trucks and Buses				
Domestic sales*	2,924	2,206	6,666	4,237
Factory output (Mar.)	5,588	3,533	15,454	7,989
Exports (Mar.)	7,100	7,613	16,850	18,818
Construction—				
Building permits (Mar.)	$ 6,654,516	$ 2,368,537	$ 10,470,129	$ 5,592,471
Contracts awarded (Apr.)	$ 24,426,000	$ 9,815,100	$ 55,835,700	$ 41,942,300
Newsprint (tons)—				
Production (Mar.)	301,110	243,900	864,333	693,424
Exports, tons (Mar.)	294,934	256,563	777,422	625,525
Sugar (lb.)—				
Melting & sales§ (raw)	▲50,257,619	50,095,059	127,777,586	114,520,555
Manufactured§	▲49,055,445	46,454,928	122,175,841	113,600,438
Flour (bbls.)—				
Production (Mar.)	1,098,544	1,171,741	3,106,868	3,172,746
Wheat flour exports (Apr.)	▲285,724	281,162	1,337,846	1,412,348
Trade—				
Retail trade (index no. of sales) (March)	75.9	71.8	......	......
Imports (March)	$ 70,973,658	$ 52,681,093	$ 171,537,118	$ 134,868,767
Exports (March)	$ 89,358,791	$ 74,581,951	$ 248,466,239	$ 202,123,973
Wheat exports (bus.) (Apr.)	▲3,617,803	6,572,364	23,517,460	41,517,038
Employment D.B.S. Index (Apr. 1)—				
All industries	103.0	97.4	......	......
Manufacturing	110.8	101.1	......	......
Electric Power Output (Mar.)—				
Total monthly m.k.h. (000's omitted)	2,412,259	2,135,640	6,876,743	6,165,115
Other Industrial Indices				
Lumbering:				
Plank & board exports M. bd. ft. (March)	148,837	142,062	426,606	309,655
Boot & shoe prod., pr. (Mar.)	▲2,387,124	2,110,598	5,798,641	5,459,797
Crude petrol., imp. gal. (Mar.)	▲50,483,343	65,383,199	157,542,315	166,169,464
Cotton imports, lb. (Mar.)	15,462,512	13,558,113	42,770,417	45,221,720
Raw rubber imp., lb. (Mar.)	5,851,745	4,052,065	12,354,403	12,246,613
Coal imports, tons (Mar.)	623,071	506,260	1,684,476	1,489,780
Cigarette cons. (Mar.) No.†	435,537	371,089	1,301,048	1,045,565
Finance—				
Bank debits (Mar.)†	$ 3,189,836	$ 2,598,811	$ 9,149,126	$ 8,356,328
Bond sales (Mar.)	$ 83,355,529	$ 121,846,225	$ 389,151,231	$ 411,292,114
Life insurance sales (Mar.)	$ 31,998,000	$ 30,552,000	$ 90,301,000	$ 92,733,000
Automobile Financing (Mar.)—				
Used cars	$ 2,625,014	$ 1,770,044	$ 5,688,844	$ 3,747,176
New cars	$ 3,317,005	$ 2,192,004	$ 7,091,232	$ 4,348,527

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000's omitted. §For 4 weeks to Mar. 27.

Japan to Increase Cotton Production

Government authorities in Japanese-owned Korea, have adopted a programme aimed to multiply cotton production by four times in that country within the next 15 years. Japan, already one of the foremost exporters of cheap cotton textiles, apparently has determined to provide raw material for these exports herself.

By 1950 it is hoped to have cotton in Korea stepped up to an annual output of 1.2 million bales as compared with an actual crop of 200,000 bales in 1935. However, while the will to increase cotton has undoubtedly been demonstrated, whether or not the country is capable of such production remains to be determined.

The 1936 crop was the smallest in 10 years yielding considerably under 115,000 bales although there was a substantial increase in acreage. Drought in the lowlands and continuous rain in the upland districts was blamed.

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C. P. R. Meets Truck Competition

MONTREAL.—Over $300,000 has been spent by the Canadian Pacific on trucks and garage accommodation to provide an efficient new railway freight pickup and delivery service in the Greater Montreal area. The Canadian Pacific Express already has put 92 trucks into service, operating under the name of Canadian Pacific Cartage Dept. This fleet will provide an entirely separate service from that already given by the company's 60 trucks operating in Greater Montreal for pickup and delivery of express shipments.

The new trucks are of a heavy type, from two to five tons, and were specially built for the handling of freight cartage, inbound and outbound, in carload lots or less. Put into operation because of the importance of deriving the full benefit of fast train service, this new department will speed up freight delivery from place of origin to destination.

A similar fast freight pick-up and delivery service was given Ottawa and Sherbrooke at the beginning of March, where it has proved popular among freight shippers. Plans now are to introduce this service in Three Rivers and St. Hyacinthe on June 1 and extend it to other centres as the occasion demands.

The Canadian Pacific Express Co. has bought 103 new trucks in all for this department. Six are in operation in Ottawa and two in Sherbrooke; 92 in the Montreal district; while Three Rivers will have two and St. Hyacinthe, one.

Background of Business

Hardware Prices Erratic

Sharply lower prices for such commodities as lead, tin and copper have led to reductions in certain lines of hardware, particularly those applying to plumbing, eavestroughing and electric wiring. The tendency is still upward, however, in iron and steel lines, according to Hardware and Metal, Toronto, although there has been a slackening in the advance of basic iron and steel quotations. Among the iron and steel products which have advanced recently are rivets, tacks, pipe wrenches, tire bolts, dampers, etc.

Current retail business in hardware is reported steadily increasing. Cool weather in Eastern Canada during early April delayed buying development in some areas but generally business has been running well ahead of last year. Activities under the Home Improvement Plan of the National Employment Commission have stimulated interest in many lines, particularly builders' hardware and paint. Although such things as electric refrigerators, ranges, washing machines and vacuum cleaners are not included in improvements under which it is possible to secure H.I.P. loans, indirectly sales of such are affected because a kitchen renovation eventually includes many purchases of moveable equipment.

* * *

Germany Goes Diesel

While less than a quarter of the commercial trucks sold in Great Britain last year were engined with oil burning Diesels, in Germany, reports Canadian Machinery, not a single gasoline truck was sold in the home market during the last eight months. All buses are either Diesel or equipped with wood gas generators or built to run on by-product gas of city waste burning plants, gas works or blast furnace industries. Diesel trucks are also in greater demand for German export it is reported. Largest single order last year was for a fleet of 655 Diesel trucks for Ethiopia. Another lot of 86 went to the Argentine.

Germany, however, is very much interested in the gasoline engines for automobiles and has been making considerable strides in the production of synthetic gasoline. Two years ago half of the gasoline consumed in Germany was imported. Today imports have been reduced to under 20%. Many leading steel works now have synthetic gasoline plants under construction.

* * *

Halt Fumes and Smoke

Deadly fumes, smoke and particles of precious metals that now escape freely through smelters' chimneys will be halted if an invention of an official of the United States Bureau of Mines proves successful. H. W. St. Clair, as reported by Modern Power, has developed a device which employs sound waves to concentrate any powders escaping in the smokestacks. The St. Clair method merely passes smoke or fumes through a tube in which standing sound waves are established.

Practically the device would settle all of the foreign material. Housewives would no longer have to worry about their Monday washings and owners of newly painted houses near industrial plants would also be relieved. Smelters would be free of the very heavy claims they have been paying in recent years for damage from poisonous fumes to crops, livestock and water supplies. Much valuable material from tiny particles of gold and silver to lead and copper and zinc which now escape through smelter smoke stacks would also be saved.

* * *

Desert Travel de Luxe

A sleeper bus, huge, light in weight, has been built by co-operative efforts of several companies for the Beyrouth, Damascus, and Baghdad run across the Syrian desert, says Review of Reviews. Nairn Transport, purchaser of the new vehicle, has successfully operated a fleet of buses between these cities for several years. The new equipment, sleeping 14 passengers, is a tractor-trailer outfit powered by a 150-horsepower Cummins Diesel engine. The tractor was built by the combined efforts of White Motor Truck and the Van Dorn Iron Works; the trailer was constructed by the Edward G. Budd Co. Completely air-conditioned, it is equipped with two dressing rooms and running water. Built of stainless steel, the bus weighs 28,000 pounds and is 57 feet, 6 inches long. With a maximum speed of 65 miles per hour, it is expected to make the 600-mile desert trip in 15 hours.

* * *

Curb Rubber Speculation

Work of the International Rubber Regulation Committee was praised by T. J. Cumming, chairman, at the annual meeting of the Rubber Growers Association, Inc. in London recently. He claimed that the rubber regulation scheme was directly responsible for curbing speculation in this commodity when prices rose very sharply a few months ago. Continuation of control regulations next year was predicted.

"During the last three months we have been given a clear illustration of the efficiency of the scheme," stated Mr. Cumming. "When it was known that estimates of absorption were more optimistic the price rose rapidly so it became necessary for the committee to correct the position. The percentage of permissible exports was increased and governments and producers were urged to co-operate to the very full in speeding up exports. Seasonal difficulty and shortage of labor prevented an immediate response, but there is no doubt that the efforts of the committee, supported by governments and producers, have put a check upon the speculative element which was evident in the early part of the year."

Under the regulation plan exports from interested producing companies are restricted in order to ensure steadier prices and as has been demonstrated recently, these restrictions are lessened as the price advances. Rubber production is confined to very limited sections of the world and the production is in the hands of relatively large companies. This situation makes control a much more simple matter than where production of a commodity is widely scattered.

Paint Company Pays on Arrears

Directors Declare 1¾% on Preferred — Reduce Arrears to Under $13

From Our Own Correspondent

MONTREAL.—Sherwin Williams Co. of Canada has declared a dividend of 1¾% on the preferred stock on account of arrears. The dividend, for the quarter ended Aug. 31, 1935, is payable July 2 to shareholders of record June 15. As at Jan. 2, 1937, arrears on the preferred stock amounted to $14 a share.

This action by the directors has not been unexpected, as the financial statement of the company for Aug. 31, 1936, showed the best earnings of any year since 1931 and amounted to $7.58 a share on the preferred stock. Since that time sales of the company are understood to have been on an increasing scale with a resultant improvement in profits.

Current assets exceeded current liabilities at the end of last August by over $3.8 millions.

Canada Imports Apples From New Zealand

Announcement of heavy shipments of New Zealand apples to both eastern and western Canadian ports in the next few weeks emphasizes again the world-wide transformation in apple growing in the last decade or two.

Not so long ago there was practically no exportable surplus of apples from southern hemisphere countries. Canada and United States with late winter varieties practically monopolized the British market from March until June. Shipments of this type of fruit were in addition to heavy earlier exports of better varieties such as McIntosh, Spys and Kings. Shortly before the war, however, New Zealand and some sections of Australia and South America started to develop apple growing. They used the best Canadian and United States varieties, mostly Jonathan, McIntosh and Delicious. Commercial results of this introduction are now apparent.

Maturing during what are early spring months in this country, Britain is supplied with high quality fresh fruit in place of former inferior, long-stored North American varieties. As a result, Canadian growers of the "long-keeping" apples have been switching to more popular types and in recent years Canadian consumers, too, have been getting fresh apples from the southern hemisphere in the spring. Six months from now the trade will be reversed with considerable exports to the Antipodes from British Columbia.

Individual Investment Requirements

No two persons have quite the same circumstances or obligations to consider in managing their investment affairs. It is the aim of this organization to make such investment suggestions as will best suit the specific requirements of individual clients.

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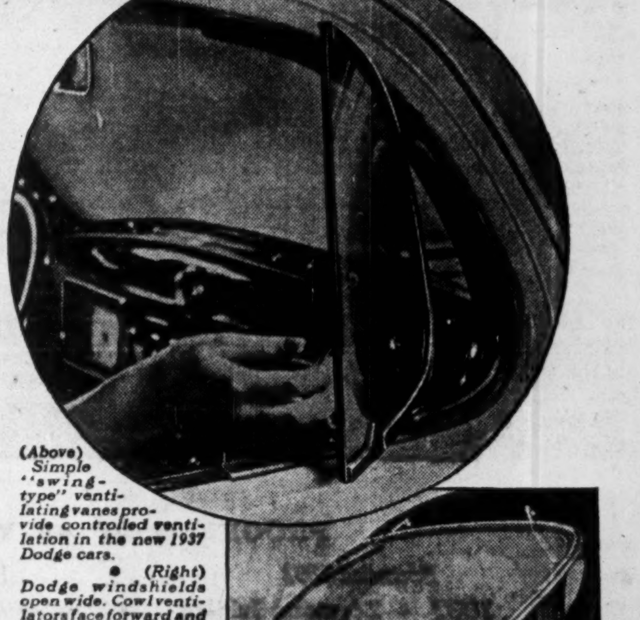

(Above) Simple "swing-type" ventilating vanes provide controlled ventilation in the new 1937 Dodge cars.

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Sweeping Exemptions From Succession Tax Allowed in Ontario

Almost unnoticed except by lawyers, trustees and others closely associated with estate administration and management, some of the most sweeping changes in the history of Ontario's succession duty laws were effected by recent amendments to the Ontario Succession Duty Act.

They involve total tax exemption of additional types of property, gifts and annuities; widen the scope of the phrase "members of the family"; affect insurance bought with the object of paying succession duties, and materially increase powers of supervision on the part of succession duty officials.

No change is made in the rates of succession duty in Ontario but new exemptions represent important concessions of another kind.

As formerly, no estate under $5,000 is taxable and also excluded from all taxation for duty purposes are estates under $25,000 where these pass to near relatives.

Complete Exemptions

Concessions are continued in the form of complete duty exemption on property to an uncle, aunt, cousin, brother, sister, nephew, niece, or the child of a nephew or niece if the estate does not exceed $10,000. Granduncles and grandaunts are no longer eligible under this amendment, however.

Most important among the new gift exemptions is that by which property given outright to any member of the immediate family more than 10 years prior to death of the donor is exempt from succession duty and, is also exempt from inclusion in the aggregate value of the estate. This change means that a father, for example, may give his son property up to any value and if the father lives 10 years after the outright gift it is not taxed for succession duty on the father's death, nor is it included in the aggregate value of the estate on which a rising scale of succession duty rates are calculated.

Taxing Rate Reduced

The effect of this concession can be illustrated by the case of a millionaire who turns over half his estate to his son, retaining the other $500,000. If he lives for 10 years after this gift is made the father's estate qualifies for succession duty taxation of 7½% on $500,000 instead of 10% on $1 million.

This provision of the new law is of extreme significance to owners of large estates, since the exemption not only applies to gifts from father to son but also in the case of anyone who makes a gift 10 years before death to father, mother, brother, sister, nephew, niece or any of these relatives of the wife of the deceased. The same applies to gifts to grandparents, husband, wife, child, adopted child, son-in-law, daughter-in-law, grandchildren, uncle, aunt or cousin, but not to these relations of the husband or wife of the deceased.

Until the present amendments succession duty exemption applied only to an aggregate of $20,000 given to a father, mother, child, adopted child, grandchild, son-in-law or daughter-in-law more than three years before death. The wife was excluded from that exemption, as also were the other relatives now included in the broadened meaning of "members of the family."

Gifts made more than three years before death continue exempt up to a limited value—$20,000 in the aggregate—to father, mother, child, adopted child, grandchild, son-in-law or daughter-in-law and the old provision for excluding the wife is retained.

By this means a man may make an outright gift of any amount to his wife 10 years before death and escape succession duties, but if the gift is made more than three years only before death and under 10 years, it is exempt only up to a $20,000 aggregate value. The same principle applies to gifts to children, including the aggregate of $20,000 to all.

There is no important distinction, however, in the new three-years' gift regulation. It exempts the gift from succession duty but it is not exempt from inclusion in the aggregate value of the estate for calculating the rate of duty on the estate as a whole. In the same way property up to $500 in value given either in the deceased's lifetime or by his will to any person is exempt from duty but not from inclusion in the estate's aggregate value.

The same regulation affects annuities up to $100 a year providing the annuity is the only property of the deceased passing to the same beneficiary. It also applies to property left by will for the benefit of the Dominion, the Province of Ontario or to any municipality in Ontario. Such public, spirited gifts are not taxed for succession duty purposes but they must still be added to the compilation of the total value of the estate and may hoist its value into succession duty brackets yielding a fat return to a doubly grateful province.

Maintenance, Education

Cost of maintenance or education of the members of a man's family who are dependent upon him are also allowed as complete exemption for all duty purposes and here again the broader definition of family applies. These expenses too may be excluded from calculation of the aggregate value of the estate.

No less striking than the new property exemptions and the widened conception of the term "members of the family" is the amended clause affecting annuities.

Formerly any annuity was exempt up to $100 a year no matter to whom it was payable. This provision continues, but the amended act also exempts annuities or any other periodic payments or interest arranged by the deceased in his lifetime, up to $1,200 a year if they are paid to the wife or dependent father, mother, brother, sister or child of the deceased. While the exemption extends to $1,200 to any one person it is also allowed up to $2,400 a year in the aggregate, or in effect for two $1,200 annuities to the wife and one dependent relative or to two dependent relatives. These annuities again may be excluded in calculating the value of the estate.

Pensions Exempt

Pensions to members of the deceased's family paid by reason of the latter's employment in the service of Canada, or any country, state, province or municipality are also exempt from succession duties as well as charitable gifts made in the lifetime of the deceased or by his will to religious, charitable or educational establishments in Ontario, or to the Canadian Red Cross. None of these, of course, are included in the aggregate value of the estate for duty purposes.

Until the new amendments the part of life insurance proceeds assigned to the provincial treasurer for purposes of paying succession duty was itself exempt from duty, but this clause has now been eliminated and the exemption no longer applies.

In contrast to the new duty exemptions, the succession duty authorities have been given wider powers to prevent any disposition of a deceased's bank account or securities until consent of the provincial treasury or succession duty officials has been obtained.

Life Insurance

New Business Gain Reported From the West

Total of Policies in Force in Saskatchewan Shows Decline

New business written by life insurance companies in Saskatchewan last year amounted to $22.5 millions, according to statistics of the provincial insurance department. This compares with $21.4 millions in 1935.

Additions, bonuses and revivals, not included in the above totals, amounted to $7.8 millions and $7.6 millions, respectively. Business in force at the year end showed a further substantial decline at $279.8 millions, compared with $295.4 millions at the end of 1935. Over the last five years amount at risk has declined $120 millions.

Analysis of receipts and disbursements shows $8.3 millions received in net contract premiums and $1.4 million paid out in death claims. Matured endowments took $607,410 and surrender values just under $4.8 millions.

New group insurance placed during the year amounted to $337,856, with a total at risk at the end of the year of $13.9 millions. New industrial business is carried at $2.5 millions, and industrial business at risk $11.2 millions.

Figures showing volume of business in 1936 and amount at risk at the year end are as follows:

Saskatchewan Life Insurance

	New Business 1936 $	Amount at Risk Dec. 31, 1936 $
Canada Life	324,795	15,775,121
Commercial	382,601	2,224,018
Confederation	1,032,743	15,470,167
Continental	211,516	3,007,051
Crown	383,177	3,401,612
Dominion Life	415,863	7,561,886
Dominion of Canada	97,555	444,019
Eaton	11,764	852,742
Equitable Life	71,566	1,302,470
Excelsior	287,360	5,688,510
Great-West	1,815,597	37,552,902
Imperial	820,322	8,715,929
London Life	1,699,528	22,688,095
London & Scottish	7,500	1,284,077
Manufacturers	951,367	14,841,483
Metropolitan Life	2,676,365	19,435,593
Monarch Life	963,601	9,305,822
Montreal Life	16,250	397,735
Mutual of Canada	1,632,889	28,643,298
National	158,371	3,286,631
New York	90,906	4,571,579
North American	1,367,190	11,294,391
Northern	250,855	3,409,783
Occidental	306,765	1,290,965
Phoenix	nil	85,036
Prudential	1,660,162	8,196,353
Royal	36,547	183,278
Saskatchewan	998,852	6,210,841
Sauvegarde	67,740	1,118,248
Sovereign	1,250,221	6,455,900
Sun	1,505,568	26,383,758
Travelers	119,300	4,224,460
Western Life	726,500	3,018,857
Western Empire	178,024	1,469,203
	22,519,360	279,791,813

Life Company Sales

Mutual Life of Canada

Sales by Mutual Life of Canada during the last two months exceeded $9.2 millions in insurance placed on the lives of Canadians. The total is the highest reached in many years during a similar period. Federal Government insurance figures show that ordinary life sales of Mutual Life of Canada in 1936 exceeded those of any other Canadian company.

• • •

Sovereign Life

Premium collections of all kinds reported by the Sovereign Life Assurance Co. of Canada for the first quarter of 1397 show a 10% gain over the corresponding period of 1936 and a rapid rise is also noted in total volume of business in force The increase in percentage of business in force to business written is the highest for any corresponding period in the company's history. On an actual percentage gain, comparing total paid for in each year to new writings, the increase is 20%.

• • •

Monarch Life

New business of the Monarch Life Assurance Co. written in April showed a gain of 24% over April, 1936, and the volume of new business was the highest of any April since 1931. Ontario and the four western provinces reported the largest increases and early indications are that May will prove one of the best months in the company's business record of recent years.

Insurance Inklings

R. W. KNECHTEL, formerly branch cashier at Saskatoon for the Monarch Life, has been promoted to district supervisor for the company at Prince Albert.

W. E. D. BALDWIN, at the recent dinner celebrating completion of 25 years with the American Fore group of companies, pointed out that 70% of the staff of the Continental office had been with the organization eight years or more.

The Medical Section of the American Life Convention will hold its annual meeting June 17 to 19 at Colorado Springs.

A. S. Matthew & Co. has been appointed general agent for British Columbia of the Phenix Fire of Paris.

Ottawa Faces Decision On Empire Sugar Trade

From Our Own Correspondent

OTTAWA.—The world sugar conference under the chairmanship of Rt. Hon. Ramsay Macdonald, has just closed with results which, at best, can be only partially satisfactory to the Caribbean producing countries. It has left a problem squarely on the door-step of the Federal Government of Canada which is at once important and delicate.

That problem is whether Canada, in the name of Empire trade, is to continue to bolster a declining cane sugar industry in the British West Indies and an artificial beet sugar industry in the Dominion. Is it thus to assist the world protectionist movement which is threatening the natural low-cost sugar producing areas of the globe with bankruptcy?

In other words, is Canada to continue to participate in an international situation which may speedily make it impossible for the natural sugar producing areas of the world, brought near the end of their resources by successive years of depression, to carry on? Are people of the world to be left dependent for their sugar—a prime necessity of life—upon high cost sources of supply?

West Indies Treaty

The Dominion Government has almost a year in which to make its decision, the dead-line being the time at which discussions open on renewal of the West Indies trade treaty. In the meantime, it has pledged itself to go no further in the direction of encouraging high-cost sugar production. That promise may be taken as equivalent to the ministry's declaration that the one cent per pound excise tax on sugar in Canada, the removal of which beet sugar interests have been urging strongly, will be retained.

The whole sugar problem, in the form in which it arises before the Federal authorities, is one that mixes vital considerations of Imperial policy and domestic politics, with the prospects and fortunes of a Canadian sugar refining industry in which some $35 millions is invested—an industry, incidentally, that has been able to make substantial financial progress in the years during which cane sugar growers selling upon the world market have been brought to the brink of bankruptcy.

Canada's part in the world conspiracy against the low-cost cane areas, is that of one of the principal villains in the drama. Under the British West Indies trade treaty, Canada accords cane sugar from the British West Indies a preference of 81 cents per hundred pounds. The preference for West Indies sugar in the British market is $1 per hundred pounds.

As the West Indies produces more than sufficient cane to supply Canada, but less than enough to supply the British Isles, the net effect of the two preferences is to enable the West Indies growers to exact the full Canadian preference of 81 cents per hundred pounds over the world price. Because of the fact that they produce a surplus over the Dominion's requirements, they are not able to exact the maximum British preference of one dollar.

Thus is the sugar cane industry being supported in the West Indies, which constitute a relatively high-cost producing area, while it languishes in Cuba and Java.

Cost of Treaty

Why, then, it may be asked, should there be any thought of continuing or renewing the British West Indies sugar preference? It is admitted on Parliament Hill that it costs sugar consumers in Canada directly a total of some $6 millions per year, without computing the burden of other tariff and excise protection imposed for the safeguarding of the Canadian beet sugar industry. It is also admitted that it has cost the Maritime Provinces valuable markets for dried fish and potatoes which they previously held in Cuba, but lost when a dumping duty of 75 cents per bag was imposed against Cuban sugar pursuant to the West Indies arrangement.

The reasons which Parliament Hill assigns for the retention of the West Indies sugar preference for so long are largely sentimental and doctrinaire, centred around the policy of inter-Empire trade. The West Indies trade treaty, as originally negotiated in 1911, was, Federal authorities point out, the pioneer trade pact between two different parts of the Empire. In its limited way, it was thus the forerunner of the Ottawa agreements, which arrived more than 20 years later. On this account, since the policy of intra-Empire trade is conceded on Parliament Hill to have been brilliantly successful from Canada's viewpoint, there is a sentimental reluctance toward interfering with the cornerstone from which it was reared.

Price of Imperial Trade

A more practical consideration, however, is the fact that of all the Imperial trading arrangements in which Canada is involved, the West Indies treaty is the only one which has failed to work out to the substantial advantage of the Dominion The question which the Government is pondering, accordingly, is whether Canada can afford to go on record before the Empire as being prepared to continue only those bargains which are one-sided in her favor? Is she entitled to complain because she loses out somewhat with the West Indies, when, on balance everywhere, she is so overwhelmingly the gainer? Conceding that the Maritimes may have a legitimate grievance against the West Indies treaty, there is an inclination on Parliament Hill to hold that in this one case the Atlantic coast provinces must be prepared to suffer somewhat in the interests of the larger Imperial trade relations of the Dominion.

Politics, however, can never be far removed from the Canadian sugar picture. On one side are ranged a refinery industry with an investment of $35 millions and an annual payroll of more than $3 millions, and some 6,500 sugar beet growers who account for approximately 7½% of the Dominion's annual production. On the other—and conceivably stronger side—are ranged the fact that a Liberal ministry is in power to which any policy of bolstering high-cost production and interfering with the natural channels of trade can only be rank heresy; the fact that the Maritimes resent the loss of their Cuban markets; and the fact that a western low tariff wing of Liberalism is alert in Parliament to champion the consumers' interest and was only prevented from jumping upon the sugar item last session by the arrival of prorogation.

It all adds up to one of the most difficult decisions which the ministry will be called upon to make within the next 10 months or so. Probably no other decision that is made will so affect the prosperity of one section of Confederation (the Maritimes), the fortunes of a major industry (sugar refining) and the interests of the consumers in whose diet sugar is a daily essential.

Fire and Casualty

Rise in Overdue Balances Is Reported in Ontario

At the end of March, 987 Ontario fire and casualty insurance agents had outstanding balances more than 90 days overdue, aggregating $307,834.

This figure, comprising returns made to the provincial insurance department by companies and general agents, represents an increase of $40,870 over the overdue total at the end of 1936, and is $91,678 above that of the corresponding date a year ago. The greater part of the total is money owed the companies direct, only $24,372 being outstanding more than 90 days on the books of general agents.

About 94% of the agents owed amounts of less than $1,000. Fourteen reported balances of more than $3,000.

Reason for the less favorable showing is difficult to determine. About the only logical explanation appears to be an easier policy on the part of the companies. In reporting the figures, the insurance superintendent says:

"It was hoped that the gain shown in the report for the period ending Dec. 31, 1936, would be continued, but unfortunately such was not the case. I must admit that an increase of almost $100,000 in the balances more than 90 days overdue is indication of an undesirable situation at a time when economic conditions are improving. I would therefore suggest that it is desirable that the companies and general agents make a real effort to class up the situation before the filing of the next return."

Overdue balances by amount and by districts, as shown by the report, are as follows:

Agents' Overdue Balances as at March 31, 1937

	Under $1,000	Over $1,000	Over $2,000	Over $3,000	Over $4,000	Over $5,000	Over $10,000	Over $20,000	Totals
Toronto	296	13	5	4	.	4	1	.	323
Hamilton	44	1	1	.	.		.	.	46
London	23	3	.	.	.	.	.	.	26
Windsor	24		.	.	.	1	.	.	25
Ottawa	52	1	2		.	.	.	.	55
Elsewhere	489	14	5	2	2	.	.	.	512
Totals	928	32	13	6	2	5	1	.	987

Sharp Rise In Accidents

Ontario Property Loss Jumps 41% This Year

Statistics of motor vehicle accidents in Ontario for the first two months of this year make very unhappy reading. Accidents, fatalities and property damage are all materially above last year's level. Although final figures for March are not yet available, it is understood that the trend was again upward.

Property damage arising from accidents in January and February amounted to $183,759, compared with $139,090 in the same period a year ago, an increase of 41%. Accidents reported numbered 1,561, up almost 30% from 1936, and fatalities more than doubled to 75.

Greatest increases in types of accidents were in "non-collision," "collision with pedestrian" and "bicycle" classifications. In view of the fact that pedestrian, bicycle and non-collision accidents usually increase rapidly during favorable road and weather conditions, it is probable that the more open winter this year may have been largely responsible for the exceptional increase in these types of accidents.

Ontario Accidents (January and February)

	1937	1936
Cities	1,009	761
Towns	56	63
Villages	14	18
King's highways	347	253
County roads	97	67
Township roads	38	43
Total	1,561	1,205

Seek Committee Of Accident Men

A committee of representative accident and sickness insurance underwriters is in process of formation, The Financial Post is informed.

The committee, "non-denominational" in character, is expected to be similar to one which functioned actively for a time, but broke up about two years ago. That committee had been successful in reaching an agreement in regard to standard policy forms, and had made progress in considering premium rates, it is understood, before it tripped up on the question of agency commissions.

Shorten Your Belt Lengthen Your Life

"Twenty pounds—in four months—twenty pounds gone! How's that?"

UP to age 30, a moderate degree of overweight helps to protect against diseases such as tuberculosis and pneumonia. But after age 30—consult the scales and watch your belt line. In older people excess fat adds to the work which the heart, liver, kidneys and pancreas are called upon to do.

Men and women over 45 who weigh 20% more than the average have a death rate that is 50% higher than the average for their age. Long continued overweight may lead to early heart disease or apoplexy. Nearly half the people who develop diabetes are very fat before the disease appears.

Too much fat usually comes from overeating, lack of exercise, or both. It is easier to avoid excess weight than to take it off. In most instances overweight can be controlled.

Even when present for a long period of years overweight often may be reduced with safety, but each case requires individual treatment. No effort to bring about a marked weight reduction should be attempted except on the advice and under the supervision of a physician.

People who adopt an unbalanced "fad" diet, or treat themselves with reducing medicines, often suffer serious consequences. Some of these medicines contain dangerous drugs; others are practically useless for weight reduction. It may also be dangerous to begin suddenly a strenuous system of exercises in an effort to reduce. Such extreme measures may throw too great a strain on vital organs already impaired by the excess fat and cause a sudden breakdown.

Aside from overeating, lack of exercise and hereditary factors, overweight may be caused by disease or improper secretion of certain glands. Even if it is caused by an abnormal glandular condition, medical treatment can often effect a complete cure or relief.

Do you know what you should weigh? The Metropolitan booklet "Overweight and Underweight" tells the proper weight for your age and height. Send for it. In it you will find a complete program of diet and exercise which may help you to keep your weight down, or—under your physician's guidance—to reduce safely. Address Booklet Dept. 5-F-37.

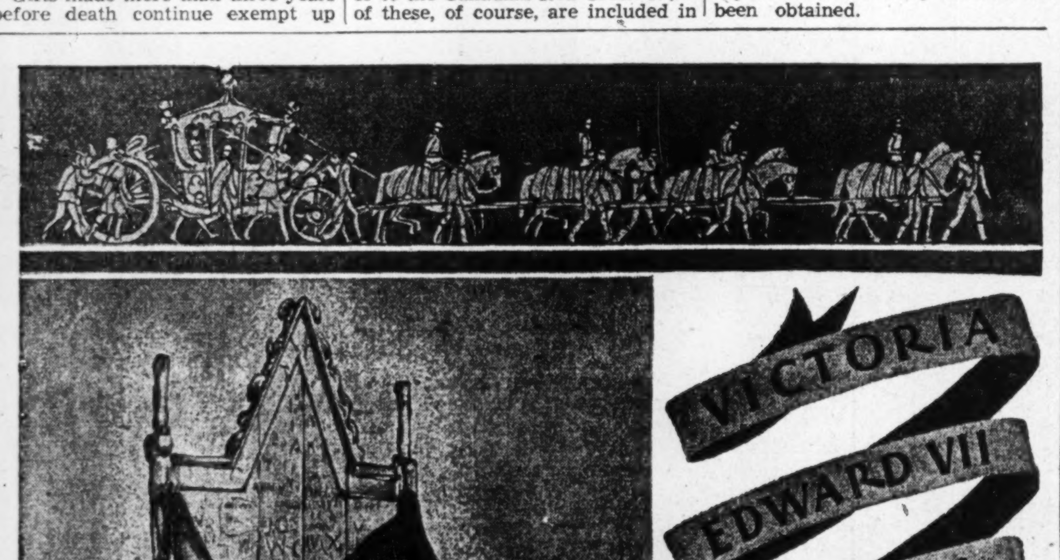
Keep Healthy—Be Examined Regularly

METROPOLITAN LIFE INSURANCE COMPANY
NEW YORK

FREDERICK H. ECKER, Chairman of the Board
LEROY A. LINCOLN, President

CANADIAN HEAD OFFICE—OTTAWA

SERVING CANADA SINCE 1872



PROGRESS OF 45 YEARS

Founded 1892		Insurance in Force
1897	Diamond Jubilee	$ 6,912,982
1902	Coronation of Edward VII	15,013,631
1911	Coronation of George V	67,969,432
1937	Coronation of George VI	575,844,591

THE GREAT-WEST LIFE

The Wawanēsa Mutual Insurance Company
Canada's Largest Fire Mutual

A leading All-Canada Company — in volume; in strength; and in service to "select" property-owners and agents.
Home Office, Wawanesa, Man. Eastern Office: 341 Church St., Toronto. Branches in Vancouver, Edmonton, Winnipeg, Montreal, Moncton.

FIRE, WINDSTORM, AUTO, CASUALTY

A MUTUAL COMPANY
NORTH AMERICAN LIFE
Solid as the Continent
Head Office—Toronto, Canada
ALL PROFITS FOR POLICYHOLDERS

The Independent Order of Foresters
Monthly Income During Disability

Certificate Plan B: Issued by the Society affords outstanding protection. It provides an Old Age Benefit, payable in one sum, for the full amount of the Certificate, on the 60th birthday, or, payment in the event of death.

In addition, the Certificate provides a generous Disability Benefit of Ten Dollars a month, for each $1,000 of Protection carried. Payments of such benefit are not a charge against the Certificate when it becomes a claim, either as a result of death or old age.

The Certificate contains the usual automatic non-forfeiture privileges. Double Indemnity may be secured for the payment of a nominal sum.

FRANK E. HAND, Supreme Chief Ranger.
HEAD OFFICE, TEMPLE BUILDING, TORONTO, CAN.

FIRE AUTOMOBILE
Assets Over $9,120,000

MARINE CASUALTY
Losses Paid Since Organization of Company in 1851 over $123,181,000

ESTABLISHED IN 1851
16 YEARS BEFORE CONFEDERATION

WESTERN ASSURANCE COMPANY
HEAD OFFICE - TORONTO

United States Fidelity & Guaranty Company
TORONTO

$1,143,727 in Dividends
PAID TO OUR POLICYHOLDERS IN 1936

BRANCHES ACROSS CANADA
Toronto, Hamilton, Ottawa, Montreal, Quebec City, St. John, Halifax, Winnipeg, Saskatoon, Calgary, Edmonton, Regina, Kelowna, Vancouver

Each year this "mutual" company distributes its surplus or profits to the policyholders in the form of dividends. Why not earn dividends on YOUR fire insurance in 1937?

NORTHWESTERN MUTUAL FIRE ASSOCIATION
Non-Assessable Policies Assets 6,000,000.

Your Investments

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International Pete

Does it appear likely that a profit could be made by selling International Petroleum shares now with the idea of repurchasing later at a lower price?

International Petroleum Co. earnings have been rising substantially due to higher prices for crude oil. Dividends are being paid at the rate of $2.50 a share, substantially higher than earnings which were reported at $1.65 a share in the year ended June 30, 1936. Excess dividend payments, however, do not appear to result in a very great reduction in working capital and it may be contended that the dividend is really being earned. The shares have not been subject to wide fluctuations in value recently. In view of this and the large yield, part of which may be treated as a return of capital, it is questionable whether there is any great advantage to be gained by selling now with the idea of repurchasing later at a lower price.

Algoma Consolidated

What are the prospects for shareholders of Algoma Consolidated Corp. receiving some return on their investment?

The main assets of Algoma Consolidated Corp. were common shares of Algoma Steel Corp. and Lake Superior Corp. As a result of the receivership and reorganization of Algoma Steel Corp. these old shares are now worthless. A distribution of assets of Algoma Consolidated Corp. has been approved by holders of the 5% cumulative income debenture stock. The only assets which are being retained for the benefit of shareholders are $96.878 in cash, 8,889 shares of the Northern Ontario Land Corp. and refunding bonds of Algoma Steel Corp. which are exchangeable for 2,647 shares of new common stock of the new Algoma Steel Corp. Eventually there may be some small distribution to shareholders of Algoma Consolidated Corp., but the outlook is not promising.

Massey Preferred

Not long ago I bought 10 shares of Massey-Harris preferred at 70. Would it be advisable to purchase more of the shares? When may I expect to receive dividends?

The question of whether you should buy more Massey-Harris preferred stock depends to a considerable extent on your individual circumstances. The shares, of course, pay no dividends and do not seem likely to make a cash payment this year. The question of when dividends may be paid cannot be answered definitely. It depends upon continued major improvement in volume and earnings, and also upon redemption of bonds. Under the recent rearrangement of sinking fund, no dividends can be paid until $2 millions additional bonds are redeemed.

The fact that the company has not been able to show any earnings on the shares for more than seven years gives them a distinct flavor of uncertainty. This is offset, of course, by the prospect of very substantial increases in farm income and therefore improved sales prospects for the company. Provided Canadian farm income improves materially, the shares may eventually be in a much more satisfactory position for the investor, as export volume has been substantially increased.

As we state, we cannot tell you whether it is a wise thing for you to do, as an additional purchase should be considered primarily from the point of view of your personal circumstances. In the long run, of course, the success of this type of speculative investment will depend upon increased income for the farmer and higher sales volume.

Sarnia Bridge Co.

Can you outline the current activities and future outlook for Sarnia Bridge Co.?

There has recently been some improvement in operations for Sarnia Bridge Co., and on Jan. 1, 1937, orders on hand amounted to $52,184. At the beginning of 1936, the company had no orders and, in view of the increased activity in the industry as a whole, the company anticipates increased business in 1937. A net profit of $4,630 was reported for 1936 compared with $2,084 in 1935. This was equivalent to 39 cents a share on the class A stock in 1936. No earnings have been available for the class B stock in any of the past seven years.

It should be noted that the company has not made adequate provision for depreciation since 1930. Working capital of $72,364 at the end of 1936 is an increase from the $53,514 shown at Dec. 31, 1935. The company has no bonds outstanding, but directors have authority to mortgage the company's property if necessary. A favorable factor is the comparatively small capitalization, consisting of 12,000 class A shares and 15,000 class B shares. Arrears of dividends on the class A amounted to $12 a share at Jan. 11, 1937. The company will probably find it necessary to build up its working capital.

Dominion Square Corp.

What interest is being paid on 6% bonds of Dominion Square Corp.? Is the company's earning power likely to improve? What is the current quotation and is the company likely to be able to meet the bond maturity in 1948?

The 6% first mortgage bonds of Dominion Square Corp., due April 1, 1948, are quoted at approximately 74 bid and 75 asked. The company made its last interest payment on July 15, 1936, when their coupon due April 1, 1934, was paid. Coupons due Oct. 1, 1934, and later are in arrears. The company had an operating profit in the 12 months ended April 31, 1936, which was equivalent to approximately 50% of first mortgage bond interest before depreciation. For the past three years the company has been able to pay one interest coupon per year and it is probable that a similar payment will be made some time this year. We understand that there has been some increase in rentals in the building and that prospects for further improvement are somewhat better than at this time last year. Under present conditions there appears little likelihood that the company will be able to meet the maturity of its $4,690,000 of 6% first mortgage bonds when they become due in 1948. There will probably be some reorganization plan presented to bondholders.

National Research

Can you give an outline of the position and history of National Research Investments Ltd.?

National Research Investments Ltd. was formed in 1932 to acquire Diversified Investment Trusts Ltd. and Research Investment Trust Ltd. The basis of exchange for Diversified Investment Trust Ltd. was 4½ common shares for each preferred share held, and one common share for each common share. In the case of Research Investment Trust Ltd. the exchange was made on the basis of 1½ common shares for each preferred and one common share for each common. T. E. McKenzie, 127 Eglinton Ave. East, Toronto, is president. The company has not sold any stock since 1932. The number of shares outstanding at present is 39,552, all of which were issued in exchange for shares of the companies acquired. While National Research Investments Ltd. is still in operation it is not very active. We understand that the approximate liquidating value is 50 cents a share at present. There have been some small earnings from investments, but so far these have been required to pay expenses of operations.

Nat. Sewer Pipe

Kindly give me particulars and prospects for National Sewer Pipe class A stock quoted around $20 a share.

National Sewer Pipe class A stock is the company's senior security, there being 27,762 of these shares outstanding. The stock carries a cumulative dividend of $2.40 a share annually, but no payments have been made since 1933. Arrears will total $9 a share next September.

Despite substantial losses during the depression the company has a powerful working capital position with net current assets of over $30 a share on the class A stock, and total net assets of slightly over $71 a share. Last year the company's loss amounted to $1.72 a share, and the accumulated deficit to $98,000.

The president, Ryland H. New, stated in last year's report that sales of the company's products will not reach a sufficient value to enable it to operate at a profit until municipalities throughout Ontario undertake new sewerage systems or extensions to present installations, and until house-building activity is improved over that of the past few years.

Building construction has been slow to improve and this has affected the company adversely. In such years as 1930, 1931 and 1932, however, the company was able to show earnings substantially in excess of the fixed dividends on the class A stock.

Rogers-Majestic

Will you please summarize the position of Rogers-Majestic with regard to the short term and long term prospects?

Rogers-Majestic Corp. is expected to show earnings somewhere in the neighborhood of 60 cents a share for the year ended Mar. 31, 1936. This compares with earnings of slightly less than two cents a share in the preceding year. In 1932, 1933 and 1934, large deficits wiped out the company's surplus which had been $900,000 in 1931. The earnings for the year recently closed will be slightly more than sufficient to eliminate the deficit which stood at $111,000 on Mar. 31, 1936. Consequently there is no early prospect of a dividend, and the short term outlook for the shares is therefore uncertain. The summer months are the dullest of the year for the company so no unusual developments can be expected in the near future.

For the long term, we would point out that the net equity for the outstanding 215,000 shares class A and B stock amounted to $8.09 a share a year ago, and should still be around $8 a share on the current year's report. Therefore, the valuation of the shares at present appears fairly reasonable. However, the company's record has been one of somewhat erratic earnings, due partly to the fact that it has not been entirely successful in efforts to diversify its seasonal radio business.

Imperial Oil

Would you say that Imperial Oil dividends have been stabilized at the present level? Is the stock likely to depreciate in price in the near future?

Imperial Oil has shown earnings of 95 cents a share in 1936 compared with the dividend of $1.25 a share. It is noteworthy, however, that the company's working capital has decreased much less than indicated by the excess of dividend payments over annual net profits. In view of the large depreciation reserves already provided, and the conservative valuation of assets, it is, therefore, not unreasonable to contend that earnings are actually close to covering the present dividends. The dividend is stabilized at present and there does not appear much possibility of an increase in the near future. The market value of the shares depends to a large extent on general investment conditions and the level of interest rates. The shares have proved themselves relatively stable in price and no great fluctuation is looked for in the near future.

G. W. Saddlery Plan Amended

An amended plan of reorganization was adopted by shareholders of Great West Saddlery Co. at the meeting on May 3, 1937. Amendments would give holders of the present 6½% second preference stock 4/5 of a share of 6% second preference share of $50, and two new common shares for each $100 share now held. Under the plan as first proposed only one class of new preference was to be created.

Holders of the present 6½% first preference shares of $100 each will receive one new 6% first preference share of $50 and three new common shares for each share held. Common shareholders will receive 2/5 of a new common share.

Can. Ind. Alcohol Elects Directors

H. Walker-Gooderham & Worts Has Majority of New Board

From Our Own Correspondent

MONTREAL. — Changes in the board of directors of Canadian Industrial Alcohol Co. are announced following upon the recent sale of controlling interest in the stock to Hiram Walker-Gooderham & Worts.

Mrs. Eric Loder, W. L. Bayer, A. M. Reaper, Arthur Simon and J. Leigh Bishop have retired from the board and are replaced by Hon. Maurice Dupré, K.C., of Quebec; Hon. W. F. Kay, of Sweetsburg, P.Q.; W. J. Hume, Walkerville; H. C. Hatch, Toronto, and Wilfrid Archambault. The board of directors also includes Hon. Gordon W. Scott, C.A., president; George H. Montgomery, K.C., and L. A. Forsyth, K.C.

It is further announced that in view of the sale recently made by the company of its entire American inventory the policy of the company henceforth would be to concentrate upon the maintenance and development of its Canadian business, which would involve some internal reorganization necessary to adjust its overhead and other expenses to the more confined field of its future operations.

Wilfrid Archambault has been elected vice-president of the company, succeeding W. L. Bayer, and has also been appointed general manager, succeeding Major D. J. O'Donahoe, whose resignation was accepted by the board.

Cons. Paper Sales Up 6%

Net Working Capital Is Shown for First Time Since Company Formed

From Our Own Correspondent

MONTREAL.—Sales of Consolidated Paper Corp. for the first quarter of the current year were about 6% ahead of those for the same period last year, according to a statement made by L. J. Belnap, president, at the annual meeting of shareholders.

As further evidence of the improvement in the company's position, Mr. Belnap stated that for the first time in history the company has a working capital surplus in place of a deficit. This referred to the fact that in all previous annual reports up to Dec. 31, 1936, there had been an excess of current liabilities over current assets.

This has been made possible, according to Mr. Belnap, largely because the account of Price Bros., shown in the last annual statement at nearly $1.3 million, has been settled during last three months at practically face value. As a result Consolidated Paper's loan from the Montreal Trust Co. has been paid.

The financial position of the company was further improved by an increase in the market value of the investment securities held in the treasury. As at April 15 the market value was $1.5 million in excess of book value.

When discussing the newsprint price for the first half of 1938, Mr. Belnap said he regarded $50 a ton as "reasonable," in view of rising costs, but declined to guess what might happen in the second half of next year. He emphasized the fact that while the price of newsprint has been raised it is still doubtful as to how much profit this is likely to represent to the company owing to steadily increasing costs.

Photo Engravers' Profit Rises to $1.59 a Share

Net profits of Photo Engravers & Electrotypers Ltd., Toronto, for the year ended Feb. 27, 1937, were equivalent to $1.59 a share on the 30,000 common shares compared with $1.45 a share in the preceding year. Dividends of $1 a share were paid in each year.

The company's liquid position has been strengthened through the purchase of bonds carried at cost of $79,458 and having a market value of $77,658.

Income and Surplus Account
Years Ended Feb. 27

	1937	1936
	$	$
Net earnings	186,735	181,318
Less: Depreciation	97,389	96,588
Income taxes	9,272	8,417
Directors' fees	240	240
Exec. salaries	32,234	32,550
Net profit	47,600	43,523
Less: Dividends	30,000	30,000
Surplus for year	17,600	13,523
Add: Prev. surplus	273,071	262,692
Tax adjust.	90	......
Less: Adjustments	2,169	3,144
Surplus forward	288,592	273,071

Working Capital

	1937	1936
	$	$
Current assets	316,368	237,468
Current liabilities	32,650	38,822
Working capital	283,718	198,646

Montreal Power Output Is Higher for April

From Our Own Correspondent

MONTREAL. — Montreal Light Heat and Power electricity consumption in the Montreal area during April, excluding secondary and export power, was 94.8 million kw.h. as against 85.9 million kw.h. in April, 1936, an increase of 10.3%.

Production for the first four months of 1937 totalled 386.3 million kw.h. compared with 378 million kw.h. in 1936.

Gas output in April this year was 440 million cubic feet as against 433.5 million cubic feet in 1936, an increase of 1½%.

Comparative output for the first four months in 1936 and 1937 was 1,730 million cubic feet versus 1,680 million cubic feet, a decrease of 2.89%.

Company Reports

E. L. Ruddy Co.

E. L. Ruddy Co., Toronto, poster advertising firm, earned its first mortgage bond interest 1.02 times after depreciation in 1936, compared with 1.28 times in 1935. Outstanding bonds have been reduced to $591,700 from $621,700 at the end of 1935.

During 1936 the company sold its British Columbia subsidiary, Ruddy-Duker Co., to Neon Products of Western Canada for $160,000, of which $63,575 was still owing as of Dec. 31. Of the proceeds of this sale, $85,000 was used to acquire the Ontario division of Claude Neon General Advertising, Ltd., and the exclusive right to manufacture Claude Neon displays in Ontario. Claude Neon General Advertising controls E. L. Ruddy Co.

Sharp, Milne & Co., auditors, advance the opinion that book value of poster panels and painted panels should be revised downward to bring this item more in line with actual present-day costs. Poster panels and painted panels are included in the company's balance sheet as at Dec. 31, 1936, as part of fixed assets, amounting to $1,704,433.

Consol. Income and Surplus Acct.
Years Ended Dec. 31

	1936	1935
	$	$
Oper. profit	89,974	125,830
Add: Profit on debent.	43	2,333
Int. on invest.	265	156
Int. on Ruddy-Duker sale	4,498	......
Total income	94,780	128,319
Less: Bond interest	39,110	41,034
Drake Realty int. & taxes	10,500	11,000
Depreciation	44,560	65,312
Prov. for inc. tax	1,147	2,814
Surplus for year	*537	8,159
Add: Prev. surplus	226,558	223,734
Profit on sale of autos	119	670
Less: Adjust. sales tax	393	......
Cancelled contract	1,195	......
Adjusts. inc. tax	1,731	1,436
Loss on Ruddy-Duker sale	†125,466	......
Loss on plant demolished	......	4,569
Surplus forward	97,355	226,558

*Deficit.
†After deducting goodwill and surplus adjustment of $42,918.

Working Capital

	1936	1935
	$	$
Current assets	320,079	264,814
Current liabilities	130,580	113,699
Working capital	189,499	151,115

A. J. Freiman, Ltd.

Operating income of A. J. Freiman, Ltd., Ottawa department store, increased in 1936, but this was more than offset by an increase in expenses. There was a net loss of $12,405 for the year, compared with a profit of $1,620 in the previous fiscal period. The report, however, is not entirely comparable since it covers a 12-month period as against 11 months in 1935.

Earned surplus was reduced by $360,000 to $376,706 as a result of inventory and other adjustments applicable to prior years. Bank loans were reduced during the year from $714,000 to $681,000. Accounts receivable after deducting reserve for bad debts is shown at $860,465, compared with $955,848 in the previous year.

Inventories, as a result of the write-off made during the year, have been reduced from $814,382 to $661,828. The cash surrender value of life insurance policies is shown at $215,225 as against $70,613 at the end of 1935. A new item appearing under liabilities is a loan of $100,000 which is secured by a second mortgage payable April 15, 1939. A first mortgage is outstanding for an amount of $488,600.

Income and Surplus Account

	Year ended Dec. 31, 1936	11 Mos. ended Dec. 31, 1935
	$	$
Profit on sales	870,804	820,603
Add: Other income	60,917	84,931
Total oper. income	931,721	905,534
Less: Oper. exps.	782,279	817,616
Executive salaries	48,936	28,856
Int. on mortgage	32,871	27,312
Other interest	38,781	......
Legal fees	1,611	2,401
Depreciation	35,986	29,729
Amort. of leases	3,662	......
Net loss	12,405	*1,620
Less: Dividends	39,469	54,042
Deficit for year	51,874	52,422
Add: Prev. surplus	737,222	791,550
Less: Pref. s. f.	......	1,907
Commission w/o	2,421	......
Inventory adjusts.	164,048	......
Trans. to cap. surplus	60,009	......
Bad debts w/o	55,000	......
Adj. on sale of bldg.	18,000	......
Misc. adjusts.	9,163	......
Balance forward	373,706	737,222

*Net profit.

Working Capital

	1936	1935
	$	$
Current assets	1,761,611	1,866,295
Current liabilities	985,773	959,162
Working capital	775,838	907,133

American Cyanimid Co.

American Cyanimid Co. reports net profits for the first quarter of 1937 equivalent to 54 cents a share compared with 29 cents a share in the corresponding period of 1936. Comparative figures follow:

Consolidated Income Account
Three Months Ended March 31

	1937	1936
	$	$
Net oper. profit	2,693,818	1,789,085
Add: Other income	162,834	169,996
Total income	2,856,652	1,959,081
Depr. & deplet.	655,175	572,203
Research & devel. exp.	438,630	354,618
Interest	104,029	103,190
Fed. income tax	277,518	169,457
Minority interest	16,660	21,598
Net income	1,364,640	738,015

Deer Park Manor

Net earnings of Deer Park Manor, Ltd., Toronto apartment building last year were equal to 60% of interest charges, before depreciation. In 1935 they amounted to 63%. Vacancies averaged 5.7% in 1936, causing a loss of revenue of approximately $1,085. Interest on the company's $144,000 of 7% first mortgage bonds, due 1940, is paid to Dec. 1, 1935. All taxes and other accounts are being paid as due.

Income Account
Years Ended Dec. 31

	1936	1935
	$	$
Rentals	16,544	17,022
Less: Oper. exps.	8,630	8,789
Oper. profit	7,914	8,233
Less: Interest (net)	13,127	13,137
Depreciation	5,894	6,803
Bond disc. w/o	......	6,085
Deficit for year	11,107	17,792

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Construction

Co-ordinated Building Laws Sought by Construction Men To Aid Reviving Industry

Canadian Building Boom Jeopardized by Maze of Conflicting Municipal Regulations — Central Research Organization or Federal Department Seen as Solution

By T. C. THOMPSON

Differing widely in their control of construction methods, use of materials, fire hazards, sanitation and public safety features, municipal building by-laws are proving a two-edged weapon. They are contributing to new and improved building practices on one hand and creating chaos, expense and jerry-building on the other.

So acute has the situation become that architects, builders and construction supply manufacturers are beginning to favor federal co-ordination of existing municipal and provincial building regulations or even the ultimate creation of a Federal Department of Construction. Dangers inherent in a federally supervised building body for the Dominion are realized, however, in the possibility that from existing confusion may result building regulations, unsuited to varying weather conditions in different areas of the Dominion, and that the pendulum might swing to the other extreme of too rigid control.

Public Safety

Building experts hold the view that the primary function of municipal building by-laws is to ensure public safety in public buildings, municipally or privately-owned, office buildings, apartment houses, auditoriums, theatres and other structures in which the public gathers.

For that reason, original building by-laws in most Canadian cities and towns were relatively simple, since their object was a natural responsibility of the municipality. As new problems arose, however, they were dealt with by officials of the municipal architect's department and many of the existing regulations are nothing more than the result of junior municipal officials' decisions to "play safe" rather than assume responsibility for authorizing the use of new construction materials. Behind this trend lies the fact that unlike England, where the onus is on public officials to disallow the use of new materials and methods in building, Canadian municipalities usually place the onus on the would-be builder to prove that his materials are fire-proof or fire-resistant, and will stand up to local safety standards and other requirements.

Municipal control has extended to house construction in Canada with several unfortunate results, it is claimed by close observers. One is that attempts at detailed supervision have clogged the by-laws with a number of ill-advised restrictions. An example is cited in the case of wallboard which is manufactured in different types and qualities. Toronto bans the use of wallboard for dwelling house construction without plaster, but since all wallboard is not alike, confusion has arisen in the minds of builders whether or not a particular kind of fire-resistant board is included. The fact that fire-resistant wallboard may meet all the actual requirements, in place of lath and plaster does not alter the fact that plaster must be used with it.

A Generous Gesture

Similarly, local conditions enter into municipal by-laws which attempt to regulate construction operations. One small Ontario community recently passed a by-law restricting certain types of plumbing equipment to copper pipe, a worthy effort of its kind, but one which failed to take into consideration that copper might be unsuitable from a price or other standpoint in certain sections of the municipality.

The town's chief industry is incidentally one which produces copper pipe.

Municipal building by-laws of Toronto, Montreal, Vancouver and other centres are sometimes adopted almost in their entirety by adjacent smaller cities and towns although in many instances the regulations of the larger centres are unsuited to the requirements of the smaller communities. As in the case of the cities from which the by-laws were "borrowed," the over-detailed regulations add to the cost of civic administration and create a condition where the would-be builder relies on the municipality to see that he has a good house.

Frequently he is disillusioned since the speculative builder is also tempted to stick to the letter of the law rather than build to a high standard. As architects point out, a false sense of security is given to home builders by the presence of municipal by-laws and their detailed restrictions.

An outstanding example of this is seen in faulty types of insulation. Construction which ignores proper insulation is hidden from the would-be buyer, who feels safe in the assurance that the house meets all the building requirements of the municipality. But with furnace heat at top pitch it may still fail to heat the house, if walls which meet the brick thickness requirements of the building by-laws lack the necessary insulation. A typical test on a cold day is to place the hand against an interior wall, only to find that it is as cold as the exterior and the same result may be obtained from upper story ceilings. In the climate of Victoria, B.C., the occupants of such a house might experience no serious discomfort. In northern Ontario in February they might freeze to death with the furnace stoked to the brim.

Furnaces also provide scope for the jerry builder's art. The story is told of an Ontario architect who bought an otherwise satisfactory home but found that the heating installation had been made with a minimum of expense. He estimated that an additional $18 spent on heating equipment would have been recovered twice over each year in fuel cost savings.

Municipal by-laws place no premium on good workmanship nor can they meet every individual requirement of the home builder who may pay more for undesirable materials than for those which, from an architectural and construction standpoint, may serve his needs more advantageously.

Breed Confusion

Building material producers as well as home builders are adversely affected by the non-uniform and confused municipal building by-laws in effect in Canada. A company producing a nationally-used building material was asked by The Financial Post if one of its products is barred by the regulations in Toronto.

"The product is banned in parts of the city," was the reply, "but in the west end there seems to be no restriction and we never hear any complaint."

Tile drains are allowed in Toronto construction projects but in some other municipalities they must be cast iron. The result is that manufacturers are restricted in their markets by different sets of by-laws because one group of officials does not agree with another group.

Wrought iron plumbing is allowed by some municipal by-laws and forbidden by others which require cast iron plumbing. Certain types of roofing are forbidden because of fire-resistance qualifications, but in other areas there is no restriction of that kind.

The safety factor in steel reinforced concrete construction is, of course, determined by the load which the structure is intended to bear. The concrete mix, size of reinforcing steel and other factors are carefully calculated by engineers for various types of buildings, and a structure designed to carry three or four additional stories at a later date is consequently built with that object in view, so far as its weight-bearing qualities are concerned.

Safety and Absurdity

Reinforced concrete regulations are incorporated into municipal by-laws as a further check on this type of building, but they are reduced to an absurdity when regulations affecting a skyscraper in Toronto or Montreal are "borrowed" by other and smaller municipalities which appropriate the by-laws of the larger centres and attempt to apply them locally.

Obviously, the safety factors necessary for a ten-story office structure in Toronto are not those needed for a one or two-story light manufacturing plant in a town of 5,000 people. Fire hazards in congested urban areas guide many cities in drafting building by-laws; traffic considerations enter into the same building regulations, but fire hazards and traffic conditions in Montreal, Toronto or Vancouver and those of a small community are totally different and attempts to apply identical building regulations only lead to confusion, unnecessary restrictions and expense. Least wise is the practice of some smaller communities which compile composite building by-laws from the highly specialized regulations of three or four other cities and towns.

Regulations affecting construction of houses are typical. In western Canada and the Maritimes most dwellings are of frame construction and regarded as eminently satisfactory from a fire risk standpoint, from the point of view of insurance rates and as ample protection against severe weather.

But in Ontario and Quebec the brick dwelling predominates, and by no stretch of the imagination could the building by-laws of the two areas be applied to either, although both undoubtedly have individual features from which the other might benefit.

Remedy Sought

To remedy these conditions it is urged that the best features of local municipal by-laws be culled from the existing mass of local regulations and made available to a central research bureau. Synchronization is the object now being widely discussed in architectural circles as the basis for a "planned" building revival. Methods proposed by close observers follow different lines but all are the same in principle. A central testing laboratory for materials is widely favored by architects and builders with a revolving system of reports and findings available to provincial and municipal bodies. An approved list of materials, rated as to their fire-resistant qualities, insulating value, load bearing ability, and other requirements is seen as a possibility of a centralized source of information.

Decentralized Application

Decentralization is equally important in application of the research findings, it is held. There is no suggestion that a department or bureau at Ottawa would, for example, regulate the type of brick and window-glass to be used in Medicine Hat, or that an "A1" rating for a certain type of insulation would necessitate its use on Vancouver Island as well as in Montreal. Those considerations are governed by local conditions, to which the central research organization's information and advice would be applicable as a basis for banning impracticable and inefficient material and methods, and making available those which have been proved successful under actual conditions and by laboratory tests.

Steel of Canada Units at Peak

From Our Own Correspondent

MONTREAL.—Steel Co. of Canada's plants operated at full capacity during the first quarter of this year, while unfilled orders on the books promise to maintain similar conditions well into the second half of the year, according to a statement made by Ross H. McMaster, president, in a note to shareholders accompanying latest dividend cheques.

"By reason of the extreme advances in prices of scrap," he said, "and higher cost of ore and coal, together with advances in wages, all cost factors involved in the manufacture of steel have advanced with a rapidity which has made it difficult to parallel higher costs with increased prices."

Mine Activity Aids Building In the North

Timmins, Sudbury, Kirkland Lake Show Higher Figures

APARTMENT HOUSES

Banks, stores, dwellings, warehouses and factories are contributing to the mounting total of new construction in northern Canadian mining area.

Timmins, Sudbury, Kirkland Lake and the Noranda area in Quebec are all sharing in the new volume of building which, in the case of Timmins, includes a substantial volume of housing necessitated by expansion in mining operations and consequently in housing facilities for mining employees.

Important mercantile interests are pushing north in search of new business created by the large scale activity in the gold towns. Coincident with this commercial penetration of new areas by firms which have, until now, restricted their operations to more settled sections of the country, is an increasing population and a larger market for consumer goods.

Timmins Builds Homes

Timmins, site of the Hollinger enterprise, has issued more building permits since April 1 than in the entire previous period from Jan. 1. April permits were in excess of $60,590 and the total has increased substantially since that time as weather conditions improved.

Residential sections of the town contributed substantially to the total in the form of new dwellings, garages and sheds, and among the larger permits was one for $30,000 issued to Hollinger Consolidated Mines for alterations to townsite and other company houses. Alterations and improvements to townsite houses will include finishing of second-story additions made last year.

S. S. Kresge Co. Ltd. is among the larger commercial concerns to enter the Timmins area. This retail store company is constructing a $35,000 concrete clay tile and brick store on the main street of Timmins.

The Kresge Co. is also entering Sudbury and recently awarded a general contract for a new $70,000 store building which will include alterations to incorporate an adjoining structure.

Kirkland Lake Apartment

Kirkland Lake's building volume soared above the million dollar mark in 1936, and at the end of April, when only a month of the 1937 building had elapsed, building permits totalled $125,000. Among important permits issued recently in Kirkland Lake was one for a $20,000 store-apartment building in the new uptown section. Other apartment building permits are pending.

Kirkland Lake's new building on Hudson Bay Avenue, which will accommodate the Northern Electric store and warehouse on the ground level, with apartments on the first floor, is one of the largest single construction projects in the area this season. The figure was $39,000. Additions to the Imperial Bank Building, new house construction, additions to existing homes and business places contribute to the $125,000 total for the year to date. Among the largest items is one for $50,000 for construction of the vocational unit of the Kirkland Lake High School.

Noranda Mines expansion in recent months has reflected itself in the need for more housing accommodation in Noranda and it is probable that the town will experience a marked revival of this type of construction during the next month or two.

Diamond Sales Boosted By Coronation Demand

Boosted by the Coronation, sales of South African diamonds this year are expected to total approximately $50 millions. This compares with actual sales of $42.5 millions in 1936, which was the best year since 1929. Productive operations in most diamond mines have recently been doubled.

New Building

Pacific Mills Ltd. operating a large newsprint plant at Ocean Falls, B.C.; warehouse to accommodate newsprint held for export shipments, $200,000.

Canadian Pacific Railway, garage in Montreal, $100,000.

Dominion Steel and Coal Co., Sydney, N.S., new 10-ton electric furnace, $70,000.

Bank of Canada, Regina, bank building; $40,000.

Daily Commercial News and Building Record reports:

Boyle Bros. (Eastern), Port Arthur, warehouse and machine shop for manufacture and repairing diamond drilling equipment.

United Drug Co., Toronto, garage, $4,000.

Canada Cement Co., Chatham, N.B., handling plant, proposed $100,000.

Famous Players Canadian Corp., Toronto, reconditioned air system at Uptown Theatre, $17,000.

Bank of Montreal, Fort William, Ont., new branch bank, $40,000.

Swift Canadian Co. planning produce plant and creamery at Hanover, Ont., for which the town council recently granted a fixed assessment of $75,000.

G. A. Grier & Sons, Montreal, replacement of lumber mill building and storage shed destroyed by fire, $27,000.

* * *

Additions

Royal Ontario Museum, Toronto, addition to house Chinese library, offices and classrooms, $40,000.

Commercial Alcohols Ltd., Montreal; addition to plant, $50,000.

Wallace Barnes Co. Ltd., Hamilton, extension to automotive equipment plant, $75,000.

Steel Co. of Canada, Lachine, P.Q., alterations and additions to galvanizing plant and transformer house, $12,000.

Kenwood Mills, Arnprior, Ont., extension to woollen felt and blanket plant.

Roxy Theatre, Toronto, alterations and additions of new balcony and stage, seats, air-conditioning equipment, $30,000.

Andrew Jergens Co., Perth, Ont., additions to plant, with air-conditioning, heating, and automatic sprinkler systems, $55,000.

Welland Vale Mfg. Co., St. Catharines, Ont., steel and brick forge shop addition.

Canadian Packers Ltd., Winnipeg, addition to plant, boiler and power house, $14,000.

Winnipeg Cold Storage Co., Winnipeg, addition to cold storage plant, $20,000.

Canadian Celanese, Drummonville, Quebec, expansion of textile products manufacturing plant.

Keefer Bldg. May be Sold

Bondholders Asked to Consent to Sale Giving 52½% Principal Return

Bondholders of Keefer Realty Corp., Montreal, are asked, in a letter from the bondholders' committee, to consent to the sale of the property for not less than $450,000. The committee states that four offers for the building have been received, all for $450,000, but one of these offers has been withdrawn.

Shareholders consented to a sale on March 24, 1937, subject to a distribution of $35,000, or $7 a share on the 5,000 shares of capital stock outstanding, and to the payment of $8,149 to the estate of T C. Keefer. The latter payment would be in full settlement of the loan which now stands on the books at $20,377.

The bondholders' committee is of the opinion that while it is probable that in the future bondholders might be in the position to force the sale of the property without the consent of the shareholders, this would mean expense and delays. For this reason the committee feels that the proposed distribution to shareholders is justified.

If a sale is negotiated it is proposed to distribute the proceeds as follows:

	$
Sale price	450,000
Add: Cash in hands of trustee	1,469
Amount available	451,469
Less: Repay. of F. L. Beique Inc. loan	9,000
Commission of 3% to agent	13,500
Est exp. of obtaining consent	8,000
Distrib. to shldrs. & Keefer est.	43,149
Balance avail. for bondholders	377,820

This distribution would give bondholders approximately 52½ cents on the dollar for their holdings.

Toronto Borrowings Down $2.2 Millions in April

Borrowings of Toronto Stock Exchange member firms on securities totalled $40,144,738 at April 30, compared with $42,356,383 at March 31.

The reduction of some $2.2 millions in the month reflects liquidation of stocks held by speculative accounts.

The total of borrowings at April 30 compares with a total of $26.8 millions at April 30, 1936. The highest level of such borrowings since the Exchange started to record them 18 months ago was $46.8 millions at Jan. 30, 1937.

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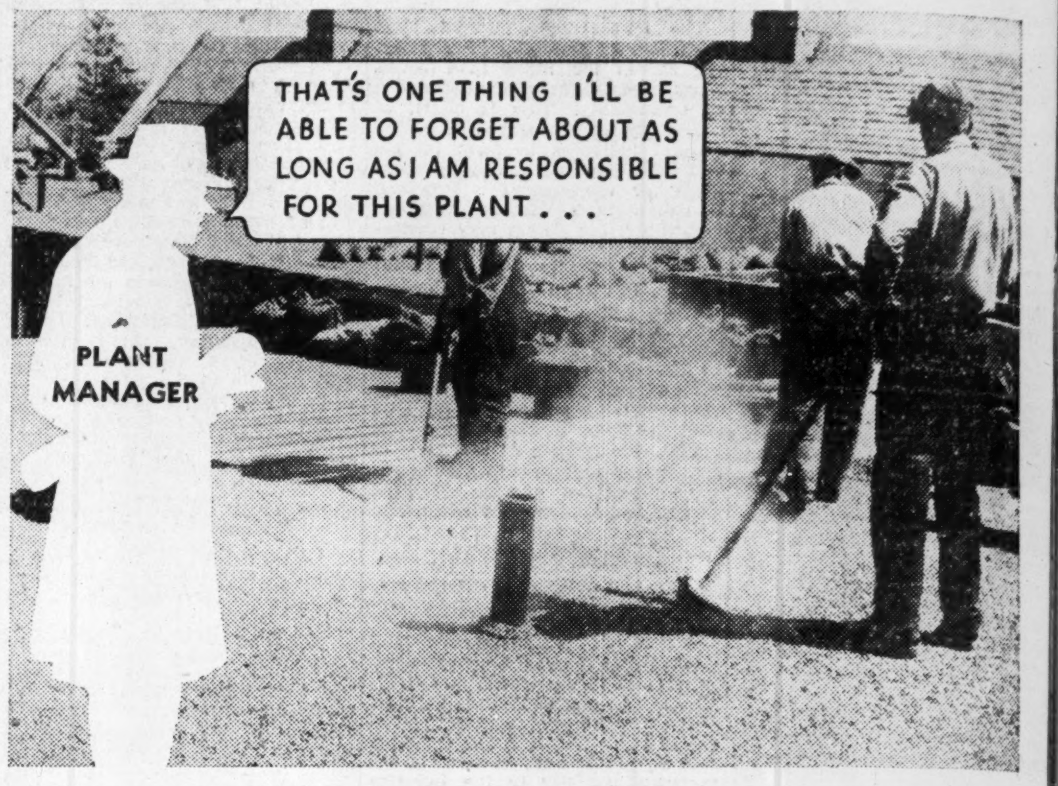

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SINCE 1854—"THE GREATEST NAME IN ROOFING"

The Construction World

Radio engineers are turning to wood as a material for construction of radio antenna towers of the future. The reason is that a new type of antenna, extending vertically up the inside of the tower, has been developed as an improvement over the "clothesline" type which extends between two metal masts. The vertical antenna is said to permit greater control of directional broadcasting, and the use of wood for the single tower needed for this type of antenna is becoming increasingly popular because it prevents static and other electrical interference. The new type of wooden tower is now in use in Europe and several have been built on this side of the Atlantic.

* * *

B.C.'s Building Boom

A few rocks loosened on a mountainside can precipitate an avalanche. More rocks are loosened and the whole mass gains momentum as it travels.

That is what is happening in the construction industry of the Pacific coast. Private building enterprise long ago evinced the typical enterprising spirit of British Columbia and as the current season progresses it is evident that the movement is growing by leaps and bounds. A recent survey of the coast province revealed that construction work for which contracts have been let or on which work has commenced on projects of $5,000 or more calls for an expenditure of more than $8 millions in private capital, most of which is scheduled for the current year. Federal and provincial projects will add a further $4 millions. The total is the highest in many years, but far below the $33 millions of British Columbia contracts awarded in 1930 for all classes of building, and already over the $11 millions of contracts reported for the whole of 1936.

Dwellings, stores, schools, factories, hotels and public buildings are included and represent every important centre of the province. The reasons for the construction boom, in which private investment is now double that of government spending, are higher prices for manufactured goods and the necessity of industrial expansion, increased production and payrolls, the Federal Government's Home Improvement Plan and perhaps most important of all the restoration of confidence among home builders, businessmen and investors in real estate.

* * *

Creating Confidence

Unlike the manufacturer of clothing, tobacco, soap and toothpaste, the construction industry cannot advertise its products at predetermined price levels. Its advertising takes a different form and, of necessity, is concentrated on establishing confidence in a high standard of quality offered in both materials and services.

The Canadian Institute of Plumbing and Heating has analyzed effective means of stimulating business in its own branch of the industry. The key to the situation lies in an effective combination of advertising and aggressive "field work" through personal contacts with the vast market for construction goods and services

Advertising, the institute finds, helps to overcome consumer apathy, creates a desire for new and attractive and economical fixtures and installations and induces the home owner or business executive to welcome reliable work from reputable concerns and to pay a reasonable charge for such services.

But personal contact is the other 50% of the formula, the institute's survey discloses. The buyer cannot be told exactly what a plumbing or heating installation will cost in advance—until he has been visited by a qualified craftsman, expert in his technical knowledge, accurate in his estimates and courteous in conveying the all-important information of cost to the prospective purchaser.

Canadian Cottons Ltd. Extends Cornwall Mill

From Our Own Correspondent

MONTREAL.—Canadian Cottons Ltd. has started construction on a new addition to the mill at Cornwall. The extension, to cost in the neighborhood of $100,000, is the third in 15 months.

The contract award has not been ratified yet, but preliminary work is under way. The building will be one story in height, and 200 by 80 feet in size, providing additional space for a slasher room in the weave department. It will be completed by the beginning of next August.

Coast Building

March building permits in New Westminster totalled $60,670, compared with $32,695 for March, 1936. The values for the first quarter of the year were $78,570 in 1937 and $67,645 in 1936.

Conveying & Elevating Equipment
Modern Power Transmission Equipment
Coal & Ore Handling Bridges
Welded Processing Equipment
Steam Generating Equipment
Inquiries Invited
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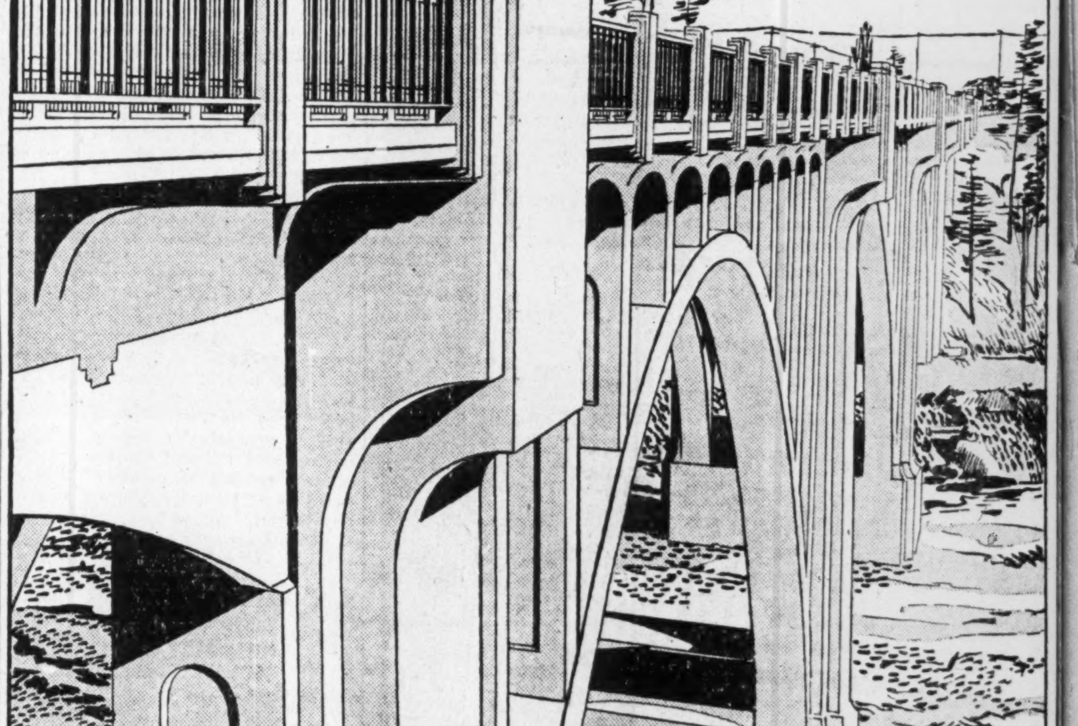
Vancouver Calgary Winnipeg Toronto Montreal



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Are Vital Links in Super-Highways

How often have you driven along a fine highway, with multiple traffic lanes and other facilities for keeping cars moving comfortably, only to be slowed down or held up by inadequate bridges. It is then, you realize that a super-highway calls for super-bridges—*concrete* bridges with the proper accommodation — to keep traffic moving. Concrete bridges are permanent. They are built to carry an unending flow of vehicles of all weights in all weathers, without breaking down. They eliminate tax-eating upkeep and beautify the landscape, a boon alike to motorist and taxpayer.

CANADA CEMENT COMPANY LIMITED
Office — 803 Northern Ontario Building — Toronto

Dosco Units Report Gains

Increased Costs, Higher Wages Hold Down Earnings

From Our Own Correspondent

MONTREAL.—Dosco's steel plant and iron ore mines are operating at capacity and indications point to a somewhat greater volume of coal sales this year, according to a statement made by Arthur Cross, president, at the annual meeting of the Dominion Steel and Coal Corp.

In his remarks to the shareholders, Mr. Cross said:

"To date the steel plant has operated at capacity and the volume of business on the books indicates the probability of a good operation continuing throughout the year.

"In view of increased domestic demands our sales of steel to Great Britain will be somewhat lower than last year. I may say that we are reasonably well assured of a satisfactory volume of sale to this market for some time to come.

More South African Rails

"An order for 20,000 tons of rails for South Africa was received recently, shipment to be made in September. An order for 6,680 tons of rails for the Canadian Pacific Railway was completed in March.

"In addition to the sales of steel products to Great Britain we have sold at a satisfactory price any surplus pig iron which we may have available this year. The tonnage may amount to 40,000 tons.

"The iron ore mines at Wabana, Newfoundland, are expected to operate at capacity throughout the year.

"The operations of the wholly-owned subsidiaries, the Halifax Shipyards, Peck Rolling Mills, Security Fence Co., James Pender and Co., and St. Lawrence Wire Co. show to date an improvement over last year.

"The increasing demands for electric power in the coal and steel operations necessitated the installation of an additional generating unit at the Seaboard Power Corporation plant. This unit, which is 700 kw. capacity was put into operation on April 22, and is working satisfactorily.

"In regard to Dominion Coal Co., Limited, the indications at the present time are that the sales will be in somewhat greater volume than last year.

"After lengthy discussions an agreement was reached early in April with the representatives of the miners. This agreement is for a period of two years and involved an average increase in the wage rate of 7½%.

"Other mining costs are expected to increase to some extent in line with the general increases in cost of supplies. The cost of moving coal to St. Lawrence ports will also be higher as the result of increased freight rates. These increases will be partially offset by increased selling prices."

Jamaica Public Service Net Picks Up This Year

From Our Own Correspondent

MONTREAL.—A slight reduction in net earnings of Jamaica Public Service for 1936 was due, in large part, to a substantial rate cut instituted in the last quarter of the year, according to a statement made by Russell D. Bell, president, at the annual meeting of shareholders. He stated that the increase in sales following this cut, and generally improving business conditions in Jamaica, resulted in substantial increases in net for the first quarter of 1937, the balance of net earnings available for reserves and dividends standing at $69,956 against $62,561 in the first quarter last year.

Company Reports

Canadian Cottons

For the first time in several years, Canadian Cottons Ltd. reports a surplus after all charges, including dividends on the common stock. The financial statement for the year ended March 31, 1937, shows gross revenue of nearly $1.5 million. This compares with over $1.1 million in the previous year. Net profit available for dividends was $360,137, or $154,000 greater than the year before.

The balance sheet shows working capital $500,000 higher at about $4.8 millions. Reserves have been increased by $300,000 to over $5.8 millions.

During the past years the company spent $441,294 in capital account, in providing extensions and improvements to warehouse space and additional machinery. Further extensions of a like nature are provided for in the budget for 1937.

Income and Surplus Account
Years Ended March 31

	1937	1936
	$	$
Gross revenue	1,482,492	1,148,034
Less: Exec. salaries	52,485	52,320
Directors' fees	7,950	7,950
Legal expenses	6,920	837
Depreciation	900,000	800,000
Income tax	100,000	40,000
Other taxes	15,000	......
Legal expenses	10,000	......
Bond interest	......	20,671
Pension fund	30,000	30,000
Net profit	360,137	196,356
Less: Pfd. dividend	219,690	219,690
Com. dividend	108,620	108,620
Surplus	31,827	*131,954
Previous surplus	1,979,684	†2,111,638
Surplus forward	2,011,511	1,979,684

*Deficit. †Adjusted.

Working Capital

	1937	1936
	$	$
Current assets	6,166,308	5,545,166
Current liabilities	1,380,223	1,257,640
Working capital	4,786,085	4,287,526

Wood, Alexander & James

Wood, Alexander & James Ltd., Hamilton wholesale hardware firm, reports marked improvement in its operations in 1936, net profit for the year amounting to $39,898 as compared with $4,394 in 1935. This is equivalent to $6.14 a share on its first preference stock as against 68 cents a share in 1935.

S. H. Alexander, president, states that the company expects to enjoy a profitable year in 1937. A dividend of 1¾% on account of arrears on the first preference stock was paid May 5 to shareholders of record April 30. The expectation of directors, based on the current outlook, is that quarterly first preference dividends will be continued throughout the year. Arrears of dividends on this stock amount to $38.50 a share.

During the year the company reduced the amount of 6% bonds outstanding by $23,500 to $191,000.

Income and Surplus Account
Years Ended Jan. 31

	1937	1936
	$	$
Profit from operations	89,656	49,816
Less: Bond interest	12,319	13,723
Depreciation	14,527	15,060
Executive salaries	14,689	14,726
Directors' fees	600	600
Income taxes	7,622	1,313
Net profit	39,898	4,394
Add: Previous surplus	15,514	11,120
Less: Inc. tax, pr. year	207	.....
Balance forward	55,205	15,514

Working Capital

	1937	1936
	$	$
Current assets	748,604	675,717
Current liabilities	111,282	65,629
Working capital	637,322	610,088

Dom. Alloy Steel

Dominion Alloy Steel Corp., Sarnia, reports a net loss of $245 for the 53 weeks ended Dec. 5, 1936. This is the first financial statement published since 1930.

W. B. Boyd, president, states that operating results show an improvement over the previous year.

Auditors state that a claim of $14,717 against the company by Canadian Tinplate Co. for interest on overdue accounts has not been taken up on the books as directors consider that this claim is offset by a counterclaim for storage. Claims of $9,108 against Canadian Tinplate Co. and Grovesend Steel and Tinplate Co. for defective steel have been taken into account although the claims have not been acknowledged.

Endorsement of the balance sheet and income account by auditors is subject to the sufficiency of the amount provided for depreciation in 1936 and previous years.

Special remuneration of $10,000 authorized by directors on Dec. 26, 1933, was paid to W. B. Boyd, president, on March 21, 1936.

Income and Surplus Account
53 Weeks Ended Dec. 5, 1936

	$
Operating profit	6,912
Add: Exps. chgd. to Canadian Tinplate Co.	15,066
Net earnings	21,978
Less: Directors' fees	500
Executive salaries	8,763
Legal fees	554
Depreciation	12,406
Net loss or deficit	245
Add: Previous deficit	192,983
Less: W/o restored	4,325
Deficit forward	188,903

Working Capital
As at Dec. 5, 1936

	$
Current assets	193,217
Current liabilities	182,655
Working capital	10,562

Viceroy Manufacturing

Viceroy Manufacturing Co., West Toronto rubber firm, reports an increase of nearly 25% in net earnings for the year ended Feb. 28, 1937, over the preceding year. Sales of $856,597 represented an increase of approximately 6%.

Sharp improvement in working capital is partly due to the surplus earned for the year but more largely to redemption of the former $244,000 of 6½% bonds and refinancing by issue of $150,000 of 3½% serial bonds and $200,000 of 4¾% bonds due Jan. 2, 1952. This was a net increase of $106,000 in funded debt.

H. C. Jeffries, president, states that "the company's position on crude rubber is quite satisfactory."

The company has issued 15,080 income funding rights on the outstanding 15,080 preferred shares of $25 each. Interest of 17 cents per right was paid April 30, to holders of rights at Feb. 28, 1937. The income statement shows payment of 3% preferred dividends for a half year.

Income and Surplus Account
Years Ended

	Feb. 28 1937	Feb. 29 1936
	$	$
Net earnings	155,290	126,009
Less: Depreciation	36,473	49,024
Exec. remuneration	33,197	33,372
Legal fees	122	......
Bond interest	16,110	16,014
Tax provision	10,500	4,218
Net profit	39,888	23,381
Less: Pref. divds.	11,310	......
Surplus for year	28,578	23,381
Add: Prev. surplus	51,388	28,008
Cash value insurance	1,680	......
Less: Bond discount	12,250	......
Bond premium	2,904	......
Legal fees (bond issue)	3,855	......
Addit. income tax	372	......
Surplus forward	62,265	51,388

Working Capital

	1937	1936
	$	$
Current assets	378,012	321,245
Current liabilities	83,882	161,813
Net working capital	294,130	159,432

Ault and Wiborg

Ault and Wiborg Proprietary Ltd., which carried out public financing last November, reports a consolidated net operating profit of $101,209 for the seven months ended Dec. 31, 1936. In addition there was an income from investments of $23,799 and a profit on investments sold of $19,286. After payment of the regular dividends on the preference stock and distribution of $60,000 in common dividends, there was a surplus of $34,544. Comparative figures for the previous year are not available as this is the first time the company has made public its financial statement.

The consolidated balance sheet shows a net working capital of $642,852. This compares with net working capital of $506,807 shown in the pro forma balance sheet dated Nov. 2, 1936, and issued in connection with the preferred stock issue. Among current assets the company shows $281,061 of inventories and $249,285 of investments. The latter have a market value of $369,985.

Income and Surplus Account
7 Months Ended Dec. 31

	1936
	$
Operating profit	101,209
Add: Investment inc.	23,799
Profit on invest. sold	19,286
Net revenue	144,294
Less: Income tax	21,020
Preferred dividend	21,168
Preferred dividend	7,562
Common dividend	60,000
Surplus	34,544

Working Capital

	Dec. 31, 1936	Nov. 2, 1936
	$	$
Current assets	766,927	601,686
Current liabilities	124,075	94,877
Working capital	642,852	506,809

Bay-Adelaide Garage

Bay-Adelaide Garage Ltd. received $4,950 in cash and $3,026 in bond interest coupons from Toronto United Garages, Ltd., lessees of the garage, in 1936. This was on account of $60,000 annual rental. No bond interest has been paid since April 15 1932, on the company's $371,200 of 6½% first mortgage bonds. A payment of $5,000 has been made on account of 1937 property taxes.

Income and Deficit Account
Years Ended Dec. 31

	1936	1935
	$	$
Revenue	60,007	60,001
Less: Res. against unpaid rentals	52,024	55,719
Depreciation	10,104	10,104
Salaries	100	100
Audit & other fees	175	175
Office exps.	47	53
Ont. corp. tax	231	50
1st mtge. int.	24,128	24,128
2nd mtge. int.	2,690	2,714
Loss for year	29,492	33,042
Add: Prev. deficit	219,332	112,699
Res. against unpaid rentals	......	73,591
Deficit forward	248,824	219,332

Working Capital

	1936	1935
	$	$
Current assets	5,488	83
Current liabilities*	75	75
Working capital	5,418	8

*Does not include accrued and unpaid bond interest of $124,054 in 1936 and $100,262 in 1935.

Bloor-St. George Realty

Bloor-St. George Realty, Ltd., Toronto, earned 62% of its bond interest in 1936, before depreciation, as compared with 65% in 1935. Interest due Feb. 15, 1934, and later is in arrears on the company's $459,900 of first mortgage 7% bonds. No interest payments have ever been made on the $100,000 of 6½% second mortgage bonds.

The company purchased $10,100 of its first mortgage bond in 1936 for $5,469. No tax arrears are shown in the report.

Income Account
Years Ended Dec. 31

	1936	1935
	$	$
Revenue	51,505	54,486
Less: Oper. exps.	27,532	28,596
Oper. profit	23,973	25,890
Less: Depreciation	12,666	12,905
Interest (net)	38,859	39,489
Bond disc. w/o	......	26,825
Loss for year	27,552	53,329

Working Capital

	1936	1935
Current assets	8,679	8,351
Current liabilities*	2,468	4,066
Working capital	6,211	4,285

*Does not include accrued and unpaid bond interest of $130,895 in 1936 and $109,625 in 1935.

Piggly Wiggly (Canadian)

Piggly Wiggly (Canadian) Ltd., operating 69 food stores in western Canada, reports improvement in earnings for the year ended Dec. 31, 1936, compared with the last previous full year ended June 30, 1935.

Earnings were inadequate to cover dividends on the outstanding $834,500 of 7% preferred stock on which no payments have been made since 1935. The addition of 1936 profits to surplus of $8,160 at Dec. 31, 1935, increases total earned surplus to $24,630.

L. W. Raley, president, states that there are now 49 meat departments in the 69 stores.

The Piggly Wiggly (Canadian) chain is now controlled by Safeway Stores.

Income and Surplus Account
Years Ended

	Dec. 31 1936	June 30 1935
	$	$
Oper. profit	95,836	90,342
Less: Depreciation	52,876	55,464
Management, salaries, etc.	12,767	
Legal fees	2,457	23,634
Interest	4,243	
Income taxes	7,023	
Net profit	16,470	11,244

Working Capital

	Dec. 31 1936	Dec. 31 1935
	$	$
Current assets	360,601	281,774
Current liabilities	184,977	125,624
Net working capital	175,624	156,150

Bay-Cumberland

In 1936 Bay-Cumberland Properties Ltd., Toronto, had a net operating profit equal to about 45% of bond interest before depreciation. The company, which operates a garage building in Toronto, received considerably less revenue in 1936 than in 1935. The company had no tax arrears at Dec. 31, 1936.

Outstanding first mortgage 6% bonds remain at $220,000. Bond interest due April 1, 1935, and later is in arrears.

Income Account
Years Ended Dec. 31

	1936	1935
	$	$
Revenue	18,433	22,762
Less: Expenses	6,144	6,874
Management fees	919	1,135
Property taxes	4,706	4,631
Corp. taxes	317	329
Oper. profit	6,347	9,793

Working Capital

	1936	1935
Current assets	1,828	2,381
Current liabilities*	863	400
Working capital	965	1,981

*Does not include bond interest due and accrued of $32,175 in 1936 and $25,025 in 1935.

Can. For. Investment

Canadian Foreign Investment Corp. reports a total revenue in 1936 of $280,343, as against $302,876 in the previous year. This reflects, in part, a reduction in the subsidiary company's cement sales which declined about 15% in 1936 due to competition. Net earnings available on the common stock amounted to $1.95 a share, as against $2.12 a share the year before.

The balance sheet shows few important changes. A reduction of about $100,000 in cash is offset by an expansion in the company's interest in other companies, which stands at $319,310, against $82,951 a year ago. On the liability side outstanding preferred stock has been reduced from over $1.3 million to $1.1 million.

Income and Surplus Account
Years Ended Dec. 31

	1936	1935
	$	$
Gross revenue	280,343	302,876
Less: Expenses	40,829	40,664
Net profit	239,514	262,212
Less: Pfd. dividends	97,156	106,862
Com. dividends	117,465	117,465
Surplus	24,892	37,885
Add: Capital profit	2,507	......
Previous surplus	592,162	555,309
Less: Stock premium	11,485	1,031
Surplus forward	608,186	592,163

Gurd's Business On Better Basis

Redemption Policy to be Continued on Preferred Stock

From Our Own Correspondent

MONTREAL.—Charles Gurd and Co.'s busines so far this year has shown a substantial improvement over a year ago, and the management is optimistic of the outlook, according to a statement made by Alex. McA. Murphy, president, at the annual meeting of shareholders.

In referring to the Saint John business, Mr. Murphy said that under new management very satisfactory results had been achieved and that while Toronto business had enjoyed a good volume, without, however, a satisfactory profit, he hoped that from adoption of different methods better results would be obtained this year.

In regard to the company's policy of retiring its preferred stock, Mr. Murphy said that it was the intention of the company to continue along these lines and pay interim dividends on the common as often as the funds permit.

All-Canadian Shares Pay 28-cent Dividend

Payment of a semi-annual dividend of 28 cents a share by All-Canadian Common Stock Trustee Shares on May 1, 1937, represents a substantial increase from the 19 cents a share paid semi-annually in 1936.

All-Canadian Common Stock Trustee Shares, Vancouver, is a fixed investment trust and each share of its stock represents 1/1,000 of a unit. Each unit consists of 315 shares of 23 representative Canadian companies which are deposited under an agreement dated Oct. 31, 1930. The trust agreement terminates Nov. 1, 1940, but may be extended for five years.

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● It's local advertising that dictates the purchasing policies of women in buying centres throughout the Province. Women depend on local advertising to tell them what, and when, and where to buy.

National advertising, when it reaches the woman through her own Local Daily, reaches her when she is most readily influenced by salesmanship-in-print. Thus, it is that advertising in Local Dailies gives the national advertiser a true point-of-sale contact. No other medium can give you the same direct sales response.

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Ties of family and friendship may make it difficult for *your* heirs to refuse requests for "loans" . . . or to disregard well-meant but unsound investment advice.

Ask one of our officers about the advantages of creating a trust in your will, at least in respect to a part of your estate, and naming The Royal Trust Company your Executor and Trustee.

Read the column at the right.

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Do not rely on a "home-made" will; the courts are filled with litigation growing out of such mistaken economies . . .

Have your will drawn by a solicitor and consult one of our officers in advance . . .

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You should name an Executor—some person or institution to see that the terms of your will are carried out . . .

It is a mistake to suppose a Trust Company as Executor is expensive . . .

The moderate fees payable to The Royal Trust Company represent sound economy, for the company's permanence, long experience and financial responsibility often eliminate costly mistakes and delays . . .

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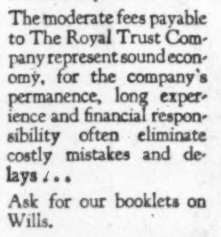
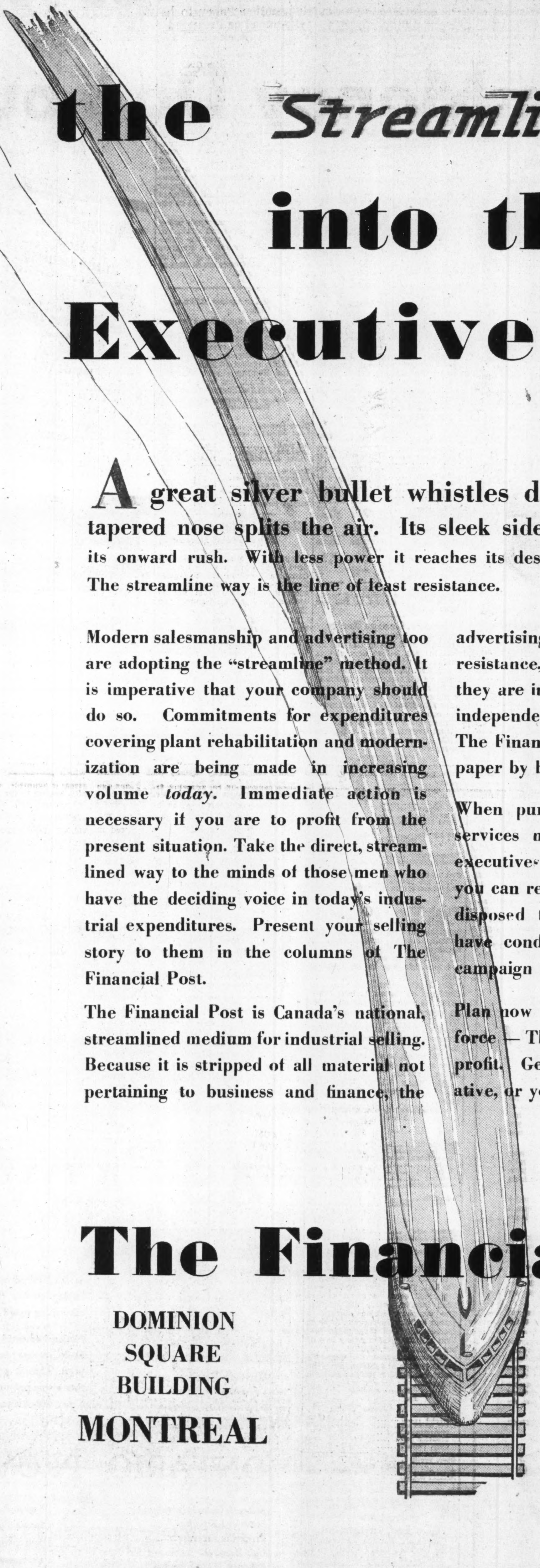


Take the *Streamline* Way into the Executive Mind



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"How Much Money Do You Need?"

Survey of Small Loan Field Indicates 150,000 Canadians Are Victimized Each Year by Shark Lending Organizations — A National Problem

By SCOTT FYFE

EVERY year tens of thousands of Canadians are being victimized by small loan sharks.

I[illegible]erated? Not at all. It is an understa[illegible]t. Unfortunately, no accurate figures are available. The gentlemen concerned have a somewhat natural preference for obscurity. It is on lack of such publicity that their business is predicated.

Lenders who make public their results have a volume of loans which in number approaches the 100,000 mark. Other "legitimate" concerns which do not publish their statistics probably make about 50,000. The remainder, made by the sharks, would at least equal in number the total made by the reputable firms.

In other words, about 300,000 Canadians, roughly one in every 40, will borrow from some small loan agency in a year, and 50% of them will borrow from organizations which have no right to be in business at all.

The amount of actual cash required to meet the demand of these people is problematical. Perhaps it would run to between $40 millions and $50 millions. Some estimates run as high as $75 millions.

Borrowers are "accommodated" by a whole regiment of lenders. Only five have been licensed by the Dominion Government. And of these five only three, Industrial Loan & Finance Corp., Discount & Loan Corp., of Montreal, and Central Finance Corp., of Toronto, are active. These are rigidly supervised by the Federal department, and their rates must come within a limit set by parliament.

Then there are the provincially incorporated companies. Probably well over 400 of these are in operation. In most instances they are subject to no supervision. Some of them are conducted along sane, reasonable lines. Others are sharks of the veriest hue.

Most recent entrant into the small loan field is the Canadian Bank of Commerce, which last summer introduced a personal loan department. Its advent was heralded by a flood of applications. In the first six months, 15,000 persons were granted loans. There has been steady increase since, and although the scheme was not designed to make large profits, it has already reached the stage where operating costs are being met.

The Loan Sharks

ON TOP of these there are the unlicensed lenders, a flock of individuals and firms, a few of whom levy charges comparable with those of the Federally licensed companies.

The dividing line between a "legitimate" lending concern and a loan shark organization is sometimes difficult to draw. No hard and fast rule exists to say that any firm which charges more than a certain rate of interest automatically qualifies for the shark title. It is certain, however, that those who exact a yearly charge of more than 50%—and they are legion—have attained this dubious distinction. And unless there are very unusual extenuating circumstances, those charging over 40% are almost full grown sharks.

Why, with recognized companies in the field lending at a reasonable rate, do sharks thrive? For two reasons:

A gullible public.

Bewildering inactivity on the part of the governments—provincial and Dominion.

Who Borrows and Why

Skilled and semi-skilled workers are by far the largest single class of borrower — about 40%. Office and clerical employees account for something less than a quarter of the total. The balance comprises a long list: managers, foremen, salesmen and so on. Near the bottom we find that even school teachers and professional men are numbered among the borrowers.

As to the purpose for which the money is sought, it might just as well be asked why people go into debt. Well over 80% of all borrowers, to judge by information at hand, borrow either to meet an emergency or to consolidate debts which already exist.

Medical and dental expenses, for instance, appear to be the greatest drain on the family resources. Probably it is because illness is rarely anticipated. In any event, almost 20% of small loan borrowers employ the money in meeting debts of this nature.

Due weight is given the persistence of "the baker, the butcher, the candlestick maker." Just under 10% of loans are used to pay off insistent creditors. The tax collector, the holder of the mortgage on the family homestead and the clothing merchant each shares about equally in the distribution, with about 7% of borrowers requiring funds to meet the demands of each of these gentlemen.

In fact, the objects for which the money is sought cover a very wide range. They include payment for the winter's coal; for travel in summer. They cover the expenses which proud parents are called upon to pay to ensure safe arrival of the son and heir; and to defray funeral costs. They pay for food, insurance, house furnishings, rent, repairs; even to providing for needy relatives.

TAKE the case of young Andrews. In 1930, he was a fine, serious-minded, hardworking young businessman. He still is, although his outlook on life is somewhat more cynical. Married, with one lusty youngster, he managed very nicely on his salary of $1,800 a year.

It was not until '33 that he began to feel the pinch. One fine morning the chief notified the entire staff that a 15% salary reduction had become necessary. Unfortunate, but not devastating. By careful pruning, the budget was still balanced.

Early in 1935, the wife fell ill—the doctor's diagnosis was appendicitis and an operation

became imperative. Expenses soon ate up the family nest egg, and despite desperate skimping, debts began to accumulate. Eventually, Mrs. Andrews was well again. But the damage was done. Creditors began to flood the place with increasingly peremptory letters. Perhaps by cutting expenses still further they might be paid off in time, but there was not the slimmest chance that he could do it then. When the creditors would be put off no longer, Andrews began to cast about for a means out of his dilemma.

Andrews had heard vaguely of some new scheme of one of the banks about personal loans. But he would have to obtain endorsers. And he did not want anyone, particularly, those at the office, to know his plight. Anyway, there was probably some catch to it.

So to a loan company. It did not matter which one. All were pretty much alike. They drove a hard bargain, but surely the authorities would not countenance outright robbery. He glanced over a number of classified advertisements, and picked out the one which most appealed to him.

The Money Salesman

TRUE, the office to which he was directed was not very prepossessing. But the man in charge seemed very reasonable and courteous. And how he could talk.

Had Andrews an automobile?

No.

Furniture?

Yes, valued about $800.

Good, a mortgage on that and they would be pleased to lend him $205. Of course, in addition to the low rate of interest stated in the advertisement, there would be the usual service charge. Oh, yes, it was quite customary. All loan firms charged it.

It was a well prepared story, plausibly told. In any event, Andrews desperately needed the money—he felt he could not afford to bargain. He was given $165 on his contract to pay $11.40 a month until the face value of the loan, $205, had been covered—a matter of 18 months.

That was bad enough. But worse was to come. Three months later, Andrews had to tell the lending firm that he just couldn't meet his payment. Winter had arrived, and with it the need for coal. If this bill was paid the loan company would have to wait.

He was asked if he could use more money, and replied that another $20 would be very acceptable, indeed. Once more he hastily signed a contract. Subsequent payments were billed at a considerably higher figure, and he approached the company for an explanation.

Where $20 Costs $60

HE WAS informed that a new loan had been contracted. Another service charge had been levied. In fact, Andrews was called on to pay a service charge of $40 to obtain an additional loan of $20. On that basis, profits can be quite high.

Andrews's case is not far-fetched. It is an actual instance of what is happening every day right across Canada. There are others much worse; many equally bad. It would seem reasonable, for example, after a man had paid the amount of his loan eight times in a year, the lender might call quits. Yet officials of the Toronto Better Business Bureau will tell you of an instance—and it occurred in Canada—where a loan cost the borrower no less than 830%.

There was the case just a few weeks ago where a young man had borrowed $20, receiving $18 on his note to pay $2 every other week. He paid installments, but was given, and demanded, no receipts. On default of the 12th installment, he received a lawyer's letter calling for repayment of the principal sum of $20. He was charged $42 for a loan of $18 for a period of 22 weeks. The amount involved may seem trivial. But not to a man whose total earnings only amount to the average for the Dominion—about $927.

Stories could be told almost without end of the methods which have been employed. One enterprising man in the automobile lending business went so far as to operate a used car lot adjacent to his office. Wages are sometimes "bought" to disguise a loan deal. Sharks prey on bakers, milkmen and other who require "run money." Rates of 500% are not uncommon; 200 per centers are frequent.

Between Two Stools

FROM the standpoint of governments the loan shark problem is a tricky one, tangled in the web of the constitution. The Dominion Government has control over rates of interest. But authority in regard to the service charges which provincially licensed companies may assess is doubtful. The exact opposite, naturally, applies to the provincial authorities. So the question falls between two stools, and the unscrupulous lender is allowed to ply his vicious trade almost unchecked. Criminal action is usually required to apprehend them, and in most instances, publicity is the last thing the borrower, as well as the lender, wants to have.

That is the seamy side of the story. Fortunately, there is another. Let us see what would have happened if friend Andrews had applied for his loan to a "legitimate" concern. We will suppose that he takes out a chattel mortgage loan from one of the Federally licensed companies, typical of the better class lenders.

Andrews is asked to fill out an application form in which he states his income, why he wants the money, and above all gives a complete list of his debts. Then the company goes to work. It may be found that his debt is so top-heavy that a loan could not economically be made. In that event, a budget would be worked out for him, his creditors would be approached to see if an easier repayment programme could not be arranged, and so on.

Once the amount the company feels he can carry is determined, Andrews is told in dollars and cents just what his loan will cost. If it is acceptable, a survey is made of his furniture, and Mr. and Mrs. Andrews call in at the office where a chattel mortgage and note are prepared and the transaction is completed by a transfer of cash.

What Should Money Cost?

JUST how much will it cost? The Dominion companies now operate on a maximum rate of 2½% on outstanding monthly balances. That cost is all-inclusive, service charges, insurance, etc., are all covered. For those who prefer a single figure, the effective annual interest rate is about 30%. Most of the provincial companies require a larger fee.

These rates, low in comparison with some of those in the business, still seem extremely high to those accustomed to the 6% commercial lending rate. It should be kept in mind, however, that it is lending in small doses — retail lending if you will. Overhead is said to be high, investigation costly. Actually, the rate represents more a charge for service than rental of money.

The companies point out that a flat rate of 2½% monthly is well under the rates charged in Great Britain and those in all but two of the States in the Union. And they further contend that in the three years ended 1935, average profits of the Federally licensed companies amounted to less than 6%, not abnormally high for a business where risk is such an important element.

Two companies, Central Finance and Industrial Loan, applied this spring for charter amendments which would limit maximum rates to 2% a month. Central Finance has stated that it does not regard a 2% rate as profitable. It would be acceptable, it was claimed, in the nature of an experiment, until the whole matter could be examined by a parliamentary committee. The session closed before the amendments could be approved.

If Andrews had applied to the personal loan department of the Canadian Bank of Commerce, he would once more have filled out an application form, and would perhaps be subject to some investigation. The main requisite would be to secure two endorsers acceptable to the bank. The bank makes these loans to any steadily employed person it regards as a good credit risk—and it so regards about 90% of applicants. Ownership of property is desirable but not essential. No collateral is required.

Banks and Loan Firms

ADVANCES are made for a year, repayable in 12 monthly installments. These are deposited in a savings account with the bank and bear interest at the usual rate. Cost of this service is inaccurately referred to as 6%. On a basis similar to that used in calculating the cost of money from finance companies, the bank's charge is more like 13%. The explanation is, of course, that as the loan is repaid in installments, on average about half the face amount will be outstanding for the full term.

While the cost of these loans is only half that of the most reasonable small loan companies, it is only fair to note a number of explanatory factors. Cost of money to the bank is relatively small. Savings deposits carry interest of 1½%; none is paid on current accounts. Loan companies must either borrow the funds from a bank at 5 or 6%, or must use their own capital on which dividends are payable. Bankers themselves will admit privately that they do not consider rates such as those of the Federally licensed companies out of line. One stated to the writer that he thought the companies would be done an injustice if the rate was reduced to 2% monthly.

Loan companies maintain that the Bank of Commerce has not materially affected the business of the other good lenders. Central Finance, for instance, reported to the Banking and Commerce Committee of the House of Commons that only 195 accounts of a total for the year of 37,000 had been attracted to the bank last year and in the same period the company's loan volume was soaring.

The Small Loan Problem

THE whole small loan problem at the moment seems to resolve itself into two main points.

First and most important is that of the loan shark. Making capital of the misfortunes of others, he is one of the most despicable of creatures. He can be exterminated, but only by intelligent, co-operative effort on the part of Dominion and provincial governments. A concerted drive is necessary to rid the country of a recognized class of scoundrel. Effective restrictive legislation is long overdue.

The second point concerns rates charged by legitimate companies. Particularly in the West, thousands of Canadians regard interest rates higher than those for ordinary commercial lending with a very jaundiced eye. Thirty per cent they consider anathema. This view has been expressed outspokenly in the Federal Legislature time and again. Is this bitter opposition justified? Or is it simply that these people do not appreciate the problems involved?

It is to answer such questions that a select committee of the Federal Legislature will convene next fall. Upon the outcome of its deliberations may depend the future of the small loan business in Canada.

In sifting the mass of evidence which will be submitted to this committee, it is imperative that one cardinal point be kept in mind. There exists a tremendous demand for small loan services. Unless some cheaper, more efficient agency can be found, whether it be the chartered banks, credit unions, or a government department, it would be sheerest folly to demand a maximum rate which would drive "legitimate" loan companies out of business.

Two Sides of the Loan Picture

This year, some 300,000 Canadians will borrow money at retail. Despite an increasing flow of these borrowers to reputable firms, it is estimated that at least half of them will be victims of loan sharks. They may be charged anything from 50%, to 500% or even more, for the "privilege" of doing business. Their more fortunate, or wiser, confrères may obtain the same service—in many instances much superior service—at a fraction the cost. But that fraction is still about 30% or 40%. It is largely to determine whether or not this figure is exorbitant, that a select parliamentary committee will meet next fall. Regardless of the decision then reached, the main problem in the small loan business is extermination of the shark organization. Depicted above are the two sides of the story as they now exist. Despite the dilapidated appearance of the edifice on the left, its rate schedule contains much higher figures than that of the firm whose consulting room appears alongside. Unfortunately, evidence of the nature of a loan firm's business is not always so apparent. As often as not, shark outfits are to be found in expensively furnished suites, with all outward appearances of legitimate lenders.

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Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

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DIVIDEND NOTICES

BANK OF MONTREAL

Established 1817

DIVIDEND NO. 296

NOTICE is hereby given that a DIVIDEND of TWO DOLLARS per share upon the paid up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1937.

By Order of the Board

JACKSON DODDS, General Manager — G. W. SPINNEY, General Manager

Montreal, 20th April, 1937.

The Canadian Bank of Commerce

Dividend No. 201

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st May, 1937, and that the same will be payable at the Bank and its Branches on and after Tuesday, 1st June next, to shareholders of record at the close of business on the 30th April, 1937. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.

Toronto, 23rd April, 1937.

International Petroleum Company, Limited

Notice to Shareholders and the Holders of Share Warrants.

Notice is hereby given that a semi-annual dividend of 75c. per share and a special disbursement of 50c. per share, both in Canadian Currency, have been declared, and that the same will be payable on or after the 1st day of June, 1937, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of coupons No. 47 at:—

THE ROYAL BANK OF CANADA,
King and Church Streets Branch,
Toronto, Canada.

The payment to Shareholders of record at the close of business on the 21st day of May, 1937, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque, mailed from the offices of the Company on the 31st day of May, 1937.

The transfer books will be closed from the 22nd day of May to the 1st day of June, 1937, inclusive, and no Bearer Share Warrants will be "split" during that period.

The Income Tax Act of the Dominion of Canada provides that a tax of 5% shall be imposed and deducted at the source on all dividends payable by Canadian debtors to non-residents of Canada. The tax will be deducted from all dividend cheques mailed to non-resident shareholders and the Company's Bankers will deduct the tax when paying coupons to or for account of non-resident shareholders. Ownership Certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Shareholders resident in the United States are advised that a credit for the Canadian tax withheld at source is allowable against the tax shown on their United States Federal Income Tax return. If it is desired to claim such credit the United States tax authorities require evidence of the deduction of said tax. In order to secure such proof Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.

By order of the Board,
J. R. CLARKE,
Secretary.

56 Church Street, Toronto 2, Canada.
10th May, 1937.

Borden's

COMMON DIVIDEND
No. 109

A quarterly dividend of forty cents (40¢) per share has been declared on the outstanding common stock of this Company, payable June 1, 1937, to stockholders of record at the close of business May 15, 1937. Checks will be mailed.

The Borden Company
E. L. NOETZEL, *Treasurer*

Vulcan Oils Ltd.

Notice is hereby given that a dividend of FIVE CENTS (5c) per share has been declared on the issued Capital stock of the Company payable on the 15th day of June, 1937, to shareholders of record at the close of business June 1st, 1937.

The books of the company will be closed from the 1st day of June, 1937, to the 15th day of June, 1937, both days inclusive.

A. J. FLOOD,
Secretary-Treasurer.

Real Estate Securities Feel Depression's Heaviest Blow

Out of $81.5 Millions of Bonds Sold, Holders of $42.5 Millions Are Not Getting Regular Interest

Real estate securities sold throughout Canada in the past 15 years have provided about $81.5 millions for real estate development, according to a survey by The Financial Post of 103 publicly financed real estate companies.

This survey covers (1) 27 companies, having securities outstanding to the amount of $39 millions, on which regular interest payments are now being made; and (2) 76 companies, having securities outstanding to the amount of $42.5 millions, on which no regular interest payments are being made.

Of the $39 millions of securities of the 27 companies in the first list, only $22.2 millions have always paid all requirements promptly when due. Even this figure of $22.2 millions includes $20.9 millions of first mortgage bonds secured by properties owned by Dominion Realty Co., the real estate holding subsidiary of The Canadian Bank of Commerce, and The T. Eaton Realty Co., owning properties leased to The T. Eaton Co., Canada's largest department store organization.

Nine Reorganizations

Not all of the $39 millions of securities on which interest payments are now being made regularly have always been in this happy condition. Nine of the 27 companies concerned have already gone through some form of reorganization that has enabled them to meet their obligations, and seven more are in arrears on their sinking fund requirements.

A number of companies have been able to meet full interest and sinking fund requirements on a first mortgage but have been unable to maintain a second mortgage issue in good standing. Most of the second mortgage issues, however, have not been sold to the public but represent funds supplied by owners of the stock or original promoters of the building.

Some Improvements

The second list shows 76 companies or properties on whose securities no regular interest payments are being made. A little over one-third of these 76 companies have been able to make one or more interest payments in 1936 and 1937. This is a sign of definite improvement which has been noted over the past three years and appears likely to continue. A policy is usually followed of making payments whenever funds are available.

On four of the 76 companies in list No. 2, no interest payments have ever been made. This includes three issues sold by United Bond Co., and the Victory Building, Toronto. Eight first mortgage issues are in default from 1932 or earlier with little immediate prospect of payment.

Apartment buildings, office buildings, buildings for light manufacturing, hotels, store buildings and buildings designed for parking and service garages are included in the list of companies still active and on which information is available. Individual bond issues range from $11.2 millions for Dominion Realty Co. to $66,500 for Ste. Claire Apartments, Windsor, Ont. The great majority were offered to the public in the years from 1926 to 1929 inclusive.

Long-standing Defaults

Volume of real estate financing reached its peak in Canada in 1929 when 22 issues totalling $31.9 millions were offered to the public. By 1930 some issues were already in default and by 1934 defaults had affected 70 issues. A few companies have never paid any interest and in some cases, such as Queen's Park Plaza and the Victory Building, both in Toronto, investors have lost everything that they put into these bonds.

Bondholders have been asked to make concessions to permit catching up on tax arrears which have mounted against many properties. Progress is being made in paying off these obligations which rank ahead of bondholders' claims, as demand for accommodation increases and buildings are better filled. It was unfortunately true that demand for office space or apartments began to drop to low levels just shortly before tax rates began to rise and this combination proved too much for many real estate operations.

Exceptional Cases

Bright spots occur here and there in the survey. Metropolitan Building, Toronto, proposes to call its first mortgage bonds on July 15, 1937, and refinance with a new bond issue bearing a lower interest rate. Victoria Realty Corp., Ottawa, has always met interest and sinking fund in full. These are not the only cases where purchasers of real estate securities have received their interest each time it became due, but such cases are exceptional among the companies surveyed.

The accompanying tabulation includes all issues on which up-to-date information can be obtained but no claim is made that it is complete. One section includes companies which are now making regular interest payments although several of these are doing so only after reorganization in which bondholders have had to make some concessions. The following sections include those companies which are not making regular interest payments.

Real Estate Companies Paying Regular Interest

Real Estate Companies Pay Interest Regularly

Company:	Bonds	Maturity	Amount $	Remarks
Dominion Realty	5½-6% 1st mtge.	1937-50	11,322,560	Can. Bank of Comm. subsidiary.
T. Eaton Realty	Ser. & 1st. mtge.	1938-51	9,600,000	Leased to T. Eaton Co.
Royal Exchange Bldg.	6% 1st mtge.	1948	341,200	Leased to Wheat Pool, Winnipeg.
	7% gen. mtge.	1938	100,000	Sinking fund adjusted, 1931.
304 Bay St.	5% gen. mtge.	1948	150,000	Bain Bldg., Toronto. Refinanced 1933.
Trail Apts. (B.C.)	6% 1st mtge.	1947	40,000	Earned $3.47 a sh. in 1936.
Victoria Realty	6% 1st mtge.	1948	542,000	Under long-term lease, Ottawa.
	7% 2nd mtge.	1958	236,500	
Windsor Arms	6½% 1st mtge.	1947	338,600	Apartm't hotel, Toronto.
York St. Bldgs.	6% 1st mtge.	1943	181,900	Adelaide Bldgs., Toronto.
Adelaide-Sheppard	7% 1st mtge.	1948	739,100	Toronto. Interest 5% to Sept., 1938.
Albert-Bay	6½% 1st mtge.	1942	333,000	Dominion Bldg., Toronto. Sinking fund in arrears.
Alexandra Apts.	6½% 1st mtge.	1940	284,000	Apartm't hotel, Toronto. Sinking fund adjusted.
Apts. Investments	6% 1st mtge.	....	327,035	Toronto.
	7% debentures	1944	154,200	Debenture interest part earned.
Bay-St. Albans	5-6½% 1st mtge.	1948	196,000	Toronto. Interest 5% to Nov., 1937. Sinking fund waived.
Cawthra Apts.	6% mtge	1947	212,500	Toronto. Reorganized 1932.
	6% notes	1937	29,700	No interest paid on notes.
400 Avenue Road	7% 1st mtge.	1946	265,800	Toronto. Sinking fund in arrears.
London Realty	6½% 1st mtge.	1950	1,093,600	London, Ont. Sinking fund in arrears.
Lord Nelson Hotel	4% 1st mtge.	1947	600,000	Halifax. Interest guaranteed by C.P.R. Sinking fund in arrears.
	5% 2nd mtge.	....	243,149	Held by C.P.R.
McLeod Building	6% serial mtge.	....	286,861	Edmonton. City holds mortgage.
	7% cum. pref.	....	468,900	No dividends since 1933.
Metropolitan Bldg.	7% 1st mtge.	1944	712,800	Toronto. First mtge. bds. being redeemed July 15, 1937.
	7% gen. mtge.	1941	381,000	Being exchanged for 3½-4½% bonds.
Montreal Apts.	5½% 1st mtge.	1948	3,625,000	
	7% gen. mtge.	1942	615,500	Maturity extended.
Northern Ont. Bldg.	6½% 1st. mtge.	1939	645,000	Toronto. Sinking fund in arrears.
Ogilvy Realty	5½% 1st mtge.	1951	1,250,000	Leased to Jas. A. Ogilvy's, Montreal.
	6% deb. notes	....	1,000,000	
Quebec Apartments	5% 1st mtge.	1950	320,300	Reorganized 1934.
Randolph Hotel	6½% 1st mtge.	1947	174,500	Hotel La Salle, Kingston.
Richmond-Bay	6½% 1st mtge.	1947	769,200	Sterling Tower, Toronto. Sinking fund in arrears.
200 St. Clair Ave. W.	7% 1st mtge.	1945	152,000	Toronto. Sinking fund in arrears.
Vanc. Georgia Hotel	6% 1st mtge.	1947	1,248,000	Reorganized 1933.

A

Acadia Apartments—Montreal.
Bonds—6½% 1st mtge., due 1939, $796,900 outstanding; Interest deferred March 1, 1933; last payment made Sept. 1, 1936, of coupon due March 1, 1934; Sinking fund—In arrears.
General mortgage—7% due 1940, $150,000 outstanding; Interest and sinking fund in arrears.

Adelaide-Peter Buildings—Loft building, Toronto.
Bonds—6¼% 1st mtge., due 1948, $349,400 outstanding; Last interest payment made Dec. 15, 1936, of coupons due Dec. 1, 1935.
Sinking fund—In arrears.

Admiral Beatty Hotel—Saint John, N.B. Reorganized 1931 and 1934.
Bonds—3-6% 1st mtge., due 1944, $600,000 outstanding; 3% interest paid 1934 and 1935. Rate increase to 6% when $300,000 bond redeemed.
Second mtge.—Bears no interest until 1st mortgage reduced to $150,000; outstanding $150,000.
Third mtge.—Outstanding $320,000.

Alexander Building—Office and manufacturing building, Montreal. Reorganized 1933.
Bonds—6% 1st mtge. income; due 1947; outstanding $1,955,500; 1% interest paid April 1, 1933; 1½% semi-annually since.

Ancroft Place—21 centrally heated residences, Toronto. Reorganized 1936.
Bonds—4% 1st mtge.; due 1956; outstanding $289,500; first interest payment of 2% made March 1, 1937, on new bonds.

Annandale Court Apartments—Kingston, Ont. Building completed under receivership 1931.
First mortgage—$60,000; interest paid regularly.
First mortgage bonds—6½% serial; due 1929-36; no serial maturities paid; all interest is in arrears.

Argyle Motor Services—Garage, Halifax. Prior lien mtge.—$35,000.
Bond—6% 1st mtge.; due 1948; outstanding $120,000; interest due May 1, 1932, and later in default; no sinking fund payment made.
Second mortgage—7% bonds; outstanding $90,000.

Auditorium, Ltd.—Sports arena, Ottawa. In receivership.
Bonds—6½% 1st mtge.; due 1944; outstanding $277,700; interest in default since Dec. 1, 1932.

B

Balfour Building—Montreal. Reorganized 1933.
Bonds—6% 1st mtge.; due 1943; outstanding $752,800; interest reduced to 4%, April 1, 1935, to Oct. 1, 1937; interest due Oct. 1, 1936 and April 1, 1937, deferred; sinking fund waived.

Bay-Adelaide Garage—Toronto. No immediate prospect of interest.
Bonds—6½% 1st mtge.; due 1947; outstanding $371,200; interest in default from Oct. 15, 1932.
Second mortgage—6½% bonds; due 1947; outstanding $41,500; interest in default from April 15, 1931.

Bay-Cumberland Properties — Garage building, Toronto.
Bonds—6½% 1st mtge.; due 1944; outstanding $220,000; last payment made Dec 15, 1936, of interest due Oct. 1, 1934.
Earnings—45% of interest before depreciation in 1936.

Bloor-St. George Realty — Apartment building, Toronto.
First mortgage bonds, 7%; due 1946; outstanding $459,900; last interest payment made July 6, 1936, of coupons due Aug. 15, 1934.
Second mortgage—6½% due 1941; outstanding $100,000; interest in arrears from Aug. 15, 1928.
Earnings—60% of interest earned before depreciation in 1936.

Border Cities Co.—Land and building company, Windsor. Assignment made 1930.
First mortgage bonds—7%, due 1928-38; outstanding $480,700. 6½%, due 1929-36; outstanding $246,000; no interest paid.

C

Carleton House—Hotel, Halifax.
First mortgage bonds—5%, due 1947; outstanding $47,200; interest defaulted Oct. 1, 1932; deferred to Oct. 1, 1935 and reduced from 6½%.

Carleton & Charles Terraces — Five apartments, Windsor. In receivership.
First mortgage bonds, 7%, due 1928-33; outstanding, $110,000; no interest paid.

Chatham Hotel Co.—Chatham, Ont. Reorganization being carried out.
First mortgage bonds, 6½%, due 1944; outstanding, $304,500; held by London Life.
First chattel mortgage—6½%; outstanding, $30,000.
Second chattel mortgage—Outstanding, $28,000.
Debentures—6½%, to be reduced to 4% in reorganization; due 1932-40; outstanding, $310,000.

Clarendon Apartments—Toronto. Bondholders have foreclosed.
First mortgage bonds, 7%, due 1936; outstanding $431,500; last interest payment made June 12, 1936, of one-half coupon due Dec. 15, 1932. Another payment expected in June, 1937.

Clarendon Properties—Apartment, Toronto. Bondholders have foreclosed.
First mortgage bonds—7%, due 1947; outstanding, $700,000; last interest payments, $12 Nov. 1, 1936, and $15 paid May 1, 1937, on account of coupons due Dec. 15, 1932.

Consolidated Apartments—Four Toronto apartments. Reorganized 1934.
First mortgage—Outstanding $264,671; interest paid regularly; held by insurance and trust companies.
Debentures—6%, due 1945; outstanding, $277,823; interest of 0.5% paid in 1936; expect to pay 1% in 1937.
Earnings—In 1936 earned 10% of debenture interest before depreciation.

D

Deer Park Manor—Apartment, Toronto
First mortgage bonds, 7%, due 1940; outstanding $144,000; last payment made Jan. 18, 1937, of interest due Dec. 1, 1935; sinking fund in arrears.
Second mortgage—Due 1935; outstanding, $35,000. Interest paid to Dec. 1, 1927
Third mortgage—Past due; outstanding, $3,500; interest paid to Mar. 15, 1928.
Earnings—60% of 1st mortgage interest in 1936 before depreciation.

Dominion Palace Pier—Unfinished recreation pier, Toronto.
First mortgage—7%, due 1942; outstanding, $26,900; interest in default.
Common stock—$564,570 shares of $10 par value.

Dominion Square Corp.—Office building, Montreal.
First mortgage bonds, 6%, due 1948. outstanding, $4,690,000; last payment made July 15, 1936, of interest due April 1, 1934.
General mortgage—Series A and B, 6½%; due 1933-45; outstanding $2,971,000; no interest paid.
Earnings—50% of 1st mortgage interest in year ended April 30, 1936.

Drummond Street Realty — LaSalle apartment hotel, Montreal. Reorganized 1935.
General mortgage—5% income bonds; due 1955; outstanding $343,680; interest non-cumulative, payable annually; none paid to date.

E

80 Richmond St. West—Victory building, Toronto. Sold in 1936; no balance for bonds.
Bonds—6½% 1st mortgage, due 1949; outstanding, $546,800.

Ellis Park Apartments—Toronto. Reorganized 1936.
Bonds—4½% 1st mortgage, due 1945; outstanding, $257,600; interest reduced from 7%; default waived.

G

Garment Centre Capitol—Hermes building, Montreal.
Bonds—6½% 1st mortgage, due 1942; outstanding, $553,200; details of interest payment not available; sinking fund in arrears.
General mortgage—7% bonds due 1943; outstanding, $244,000.

General Brock Hotel — Niagara Falls, Ont. Reorganized 1934.
First mortgage—6½% serial bonds; due 1937-54; outstanding, $245,070; held by Sun Life Assurance Co.
Second mortgage bonds, 3% due 1954; outstanding, $691,500; interest non-cumulative to June 1, 1937; none paid to date.

The Georgia Ltd.—Devonshire apartments, Vancouver.
Bonds—6½% 1st mortgage, due 1926-38; outstanding, $370,000; interest in default

Gleneagles Investment Co.—Apartment, Montreal. Reorganized 1933.
Bonds—5% 1st mortgage income due 1944; outstanding, $1,052,300; interest cumulative up to 2½%; 1¾% paid Sept. 1, 1936, and March 1, 1937; sinking fund commences 1938.

Godfrey Realty — Confederation Building, Montreal.
Bonds—6% 1st mortgage income due 1942; outstanding, $1,400,900; interest coupon due Dec. 1, 1936, not paid; interest made payable out of income 1933; sinking fund begins 1938.

Greater Windsor Development—Royal Windsor apartment, Windsor.
Bonds—1st mortgage serial; due 1929-37; outstanding, $340,750; interest defaulted Nov. 25, 1930.

I

Insurance Exchange Corp.—Montreal. Reorganized 1936.
Bonds—5½% 1st mortgage income; due 1950; outstanding, $1,720,500; 2% fixed interest being paid; balance payable as earned.

K

Keefer Realty Corp.—Montreal. Reorganized 1933.
Bonds 6½% 1st mortgage income; due 1943; outstanding $722,000; interest payable out of income to June 1, 1937; none paid to date
Earnings—$10,880 available for interest in 1936

Kensington Manor Apartments—Windsor. In receivership.
Bonds—7% 1st mortgage; due 1926-31; outstanding, $76,500; last payment made April 20, 1937, of interest due April 20, 1930.

L

Lawrence Park Manors—Apartment, Toronto. Bondholders received $470.169 per $1,000 as a result of sale of property Oct. 1, 1936.
Bonds—7% 1st mortgage; due 1946; outstanding, $135,800.

Lombard Realty—St. James parking garage, Toronto. Formerly National Realty Co. Reorganized 1936.
Bonds—5% 1st mortgage income; due 1951; outstanding, $200,000; interest non-cumulative to Jan. 1, 1939.

M

Mayor Building—Montreal.
Bonds—6½% 1st mortgage; due 1942; outstanding, $580,500; interest reduced to 4½% to Nov. 1, 1937; paid at reduced rate; sinking fund default waived.
Gen. mortgage—7% bonds; due 1947; outstanding, $300,000.
Earnings—Sufficient to cover interest at reduced rate.

Mountain View Apartments—Hamilton. Reorganized 1931.
Bonds—6½% 1st mortgage; due 1941; outstanding, $142,500; held by London Life Insurance Co.
Preferred—7% cumulative, $50 par; no dividends paid.
Earnings—Covering interest and expenses.

O

Ontario Building—Montreal. Reorganized 1930.
Bonds—6½% 1st mortgage; due 1943; outstanding, $800,000; interest reduced to 3½% to 1936; coupons due Sept. 1, 1936, and March 1, 1937, postponed.
Earnings—Covering interest at reduced rate.

Oshawa Buildings — Disney Building, Oshawa.
Bonds—6½% 1st mortgage; due 1943; outstanding, $227,000; last payment made Dec. 15, 1936, of coupon due July 1, 1933.

P

Peel Street Realties—Hermes Building Annex, Montreal.
Bonds—6½% 1st mortgage serial; due 1935-50; outstanding, $484,000; interest due Sept. 1, 1936, in default; principal on serial maturity due March 1, 1935, in default.

Price Realty Co.—Office building, Quebec, P.Q. Temporarily leased to Price Bros.
Bonds—5½% 1st mortgage; due 1946; outstanding, $750,000; interest in default since May 1, 1933; principal expected to be redeemed in full in 1937.

Prince Edward Hotel Co.—Windsor. Reorganized 1937.
Holders of each $1,000 of old 7½% bonds get $300 in cash and $700 in 2nd mortgage debentures with option, exercisable to April 30, of taking $300 in cash for the debentures. Distribution expected in May.
Mortgage—5½% 10-year installment 1st mortgage; outstanding, $350,000; debentures 2-4% 2nd mortgage; due 1947; authorized, $500,500.

Professional Offices—Physicians and Surgeons Building, Toronto. Reorganized 1935.
Bonds 7% 1st mortgage serial; due 1933-45, outstanding $222,500; last payment made Aug. 15, 1936, of interest due June 1, 1934; serial maturities due 1933 and later unpaid.

R

Railway Exchange Building—Montreal.
Mortgage—6½% 1st mortgages; due 1940; outstanding, $39,000.
Bonds—6½% 1st mortgage; due 1942; outstanding, $424,000; interest defaulted April 1, 1933.
Earnings—One-third of interest earned before depreciation in year ended April 30 1936.

Ramsden Park Apartments — Formed 1936 to take over Crescent Road Apartments, Toronto.
Bonds—5% 1st mortgage income; due 1961; outstanding, $157,000; interest payable annually on Dec. 1 if earned.

Richmond Building—Central Building, Toronto. Bondholders have foreclosed
Bonds—7% 1st mortgage; due 1947; outstanding, $327,700; interest defaulted July 1, 1933; no immediate prospect of payment.

S

St. Catherine Improvement—Automobile Sales Building, Montreal.
Bonds—6½% 1st mortgage leasehold; due 1947; outstanding, $185,800; interest coupons due Jan. 1, 1937, not paid.

St. Catherine Street Realty—St. James Building, Montreal. Reorganized 1933.
Bonds—6½% 1st mortgage; due 1946; outstanding, $225,900; interest payments due to Jan. 1, 1936, deferred; payment due July 1, 1936, not made.
Earnings—None available for interest.

St. Catherine-Stanley Realty — Castle Building, Montreal. Reorganized May, 1937.
Bonds—6½% 1st mortgage; due 1946; outstanding, $914,200; unpaid interest waived. Rate becomes 3% to April 30, 1942; 3½% to April 30, 1947; 4% to maturity. Maturity extended to 1957.

St. Claire Apartments—Windsor. In receivership.
Bonds—7% 1st mortgage; due 1931-33; outstanding, $66,500; interest defaulted Sept. 8, 1930; no immediate prospect of payment.

St. Julien Co.—Ritz Apartment, Vancouver. Reorganized 1934.
Bonds—7% 1st mortgage; due 1927-38; outstanding, $229,600; interest defaulted Sept. 1, 1931; reduced to 5% to March 1, 1934.

Sherbrooke Street Realty—Medical Arts Building, Montreal.
Bonds—6½% 1st mortgage; due 1940; outstanding, $595,500; interest reduced to 5% to Nov. 1, 1934; interest due Nov. 1, 1935, paid May 1, 1936; no payment since.
Second mortgage—8% income bonds; due 1940; outstanding, $150,000. No interest paid.
Earnings—One-half bond interest earned before depreciation in 1936.

Stanley Realty Corp.—Parking garage, Montreal. Reorganization proposed.
Bonds—7% 1st mortgage; due 1945; outstanding, $400,000; interest defaulted Sept 1, 1932.

Staveley Apartments — Toronto. Reorganized 1936. Property sold for $52,100 in new bonds and cash. Distribution not yet approved by the court.
Bonds—6½% 1st mortgage; due 1929-34; outstanding, $86,850. Last interest payment made Sept. 16, 1935, when coupons due Aug. 15, 1933, were paid.

Stock Exchange Building Corp.—Vancouver.
Bonds—6% 1st mortgage; due 1944; outstanding, $234,400. Last interest payment made March 1, 1937, when coupons due Feb. 1, 1934, were paid.

T

Themis Building—Montreal. Reorganized 1931 and 1934.
Bonds—5% 1st mortgage income; due 1942; outstanding, $659,000; interest paid at rate of 2% in 1935 and 1936.
Earnings—Loss of $17,358 in 1936 after interest at 5%.

Transportation Building Co.—Montreal
Bonds—7% mortgage bonds; due 1947, outstanding, $589,700; interest in default from Nov. 1, 1932. Sinking fund payments maintained.
Debentures—7% income; due 1951; outstanding, $113,000; no interest paid.

Trinity Building—Apartment building, Montreal. Reorganized 1932.
Mortgage—6½% 1st mortgage; privately held; due 1933-37; outstanding, $28,000.
Bonds—4% income; due 1952; outstanding, $160,000. Interest becomes fixed charge after 1937; not expected to make payment due June 1, 1938.

U

University Tower Corp.—Montreal. Reorganized 1932.
Mortgage—6% 1st mortgage held by Metropolitan Life Insurance Co.; due 1950; outstanding, $1,170,000.
Bonds—6½% general mortgage; due 1956; outstanding, $1,000,000. 1% interest paid Nov. 1, 1935; none since.

V

Vancouver Properties — Medical-Dental Building, Vancouver. Reorganized 1935.
Bonds—4-4½-5% mortgage; due 1955; outstanding, $984,000. Interest payable at 4% until outstanding bonds reduced to $750,000; thereafter until bonds reduced to $500,000 rate is 4½%; 5% thereafter to maturity.

Victoria Manor Apartment—Windsor. In receivership.
Bonds—7% 1st mortgage; due 1927-31; outstanding, $118,000; principal and interest default July 21, 1930.

W

Wellington Building—Toronto.
Bonds—6½% 1st mortgage; due 1930-35; outstanding, $425,000; last interest payment made Dec. 15, 1936, on coupon due Jan. 5, 1933.

Windsor Court Apartments—Windsor.
Bonds—6% 1st mortgage; due 1942; outstanding, $380,000; last interest payment made Jan. 2, 1937; on coupons due June 1, 1933.

Windsor Hotel of Sault Ste. Marie — Bondholders' committee in charge.
Bonds—6½% 1st mortgage; due 1950; outstanding, $319,000; interest due June 1, 1933, in arrears.

Y

York-Adelaide Realty—Parking garage, Toronto.
Bonds—7% 1st mortgage; due 1945; outstanding, $400,000; interest due June 1 1932, in default.
General mortgage—6% bonds; due 1950; outstanding, $126,000; interest due June 1, 1932, and later in arrears.

A later article will make a study of the reasons for the unfortunate situation affecting real estate mortgages and which have modified the old idea that a first mortgage on improved, revenue-producing real estate was the highest type of security. The present conditions affecting these securities will be analyzed and a study made of near term prospects.

DIVIDEND NOTICES

Sylvanite Gold Mines, Limited

(No Personal Liability)

TO SHAREHOLDERS AND HOLDERS OF SHARE WARRANTS:

Notice of Dividend No. 23

NOTICE is hereby given that a regular quarterly dividend of Five per cent. (5%) (representing five cents per share) on the outstanding Capital Stock of the Company, payable in United States funds, has been declared as Dividend No. 23.

Such Dividend will be payable June 30th, 1937, to Shareholders of record at the close of business May 22nd, 1937.

In the case of Share Warrants such Dividend will be payable on or after June 30th, 1937, in respect to the shares specified therein, upon presentation and delivery of Coupon No. 23 at:

The Canadian Bank of Commerce, Toronto, or any branch of said Bank in Canada (Yukon Territory excepted) at the Bank's current buying rate for United States funds on the date the coupon is cashed, without deduction for collection charges; or, Liberty Bank of Buffalo, Buffalo, N.Y.

The Canadian Five per cent. (5%) tax will be deducted from Dividends paid to non-residents.

By Order of the Board.
W. S. WALTON,
Secretary.

Toronto, May 7th, 1937.

DIVIDEND NOTICES

Imperial Oil Limited

DIVIDEND

NOTICE TO SHAREHOLDERS AND THE HOLDERS OF SHARE WARRANTS

NOTICE is hereby given that a semi-annual dividend of twenty-five cents (25c.) per share and a special disbursement of thirty-seven and one-half cents (37½c.) per share, both in Canadian currency, have been declared and that the same will be payable on or after the 1st day of June, 1937, in respect to the shares specified in any Bearer Share Warrants of the Company of the 1929 issue upon presentation and delivery of Coupons No. 47 to any Branch of:

THE ROYAL BANK OF CANADA, in Canada.

The payment to Shareholders of record at the close of business on the 14th day of May, 1937, and whose shares are represented by registered Certificates of the 1929 issue, will be made by cheque mailed from the offices of the Company on or before the 31st day of May, 1937.

The transfer books will be closed from the 15th day of May to the 31st day of May, 1937, inclusive, and no Bearer Share Warrants will be "split" during that period.

Under The Income War Tax Act of the Dominion of Canada a tax of 5% is imposed on all persons who are non-residents of Canada in respect of all dividends received from Canadian debtors, and such tax must be withheld at the source. The above tax will be deducted from all dividend cheques mailed to non-resident shareholders, and the Company's Bankers will deduct the tax when paying the dividend to or for the account of non-resident shareholders on presentation of coupons. Ownership certificates will be required by the paying Bankers in respect of all dividend coupons presented for payment by residents of Canada.

Stockholders resident in the United States are advised that a credit for the 5% Canadian tax withheld at source is allowable against the tax shown on their United States Federal income tax return. If it is desired to claim such credit on the return the United States tax authorities require the receipt or certificate of the Canadian Commissioner of Income Tax for such payment. In order for the taxpayer to secure such proof from the Canadian Commissioner it is necessary for the United States stockholder to submit, at the time of cashing his dividend coupon, an ownership certificate on Canadian form No. 601. Only in this way can the Canadian Commissioner identify the withheld Canadian tax with the specific recipient of the dividend in order to furnish the necessary individual receipt. If forms No. 601 are not available at local United States banks, they can be secured by requesting the same from the Company's office or at any branch of The Royal Bank of Canada, in Canada.

BY ORDER OF THE BOARD,
F. E. Holbrook, Secretary.

56 Church Street, Toronto, Ontario.

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C.I.O. Speeds Up Drive on Steel

Peck Rolling Mills Unit to be Approached

From Our Own Correspondent

MONTREAL. — John L. Lewis's C.I.O. and its steel union, Amalgamated Association of Iron, Steel and Tin Workers of North America, are accelerating their campaign in Canada for recognition by steel companies.

In Montreal Local No. 1195, representing employees of the Peck Rolling Mills, wholly-owned subsidiary of Dominion Steel and Coal Corp., has drawn up demands which it hopes to make to the company simultaneously with similar demands at the Sydney, N.S., steel plant, also operated by Dosco.

In addition to recognition of the Lewis-affiliated union, the Peck Rolling Mills unit is demanding a 44-hour week, with time and a half for overtime; minimum rate of $3.50 for an 8-hour day instead of the present 10-hour shift; wage increases of 10 cents an hour for all those now earning above that minimum with proportional rise for piece workers; one week holidays a year with pay for all employees of three years service or more; seniority rights in the apportionment of work; and distribution of wages each week regularly.

Nova Scotia Steel Faces Increased Wage Demand

From Our Own Correspondent

MONTREAL.—Nova Scotia Steel and Coal and Eastern Car Co., a subsidiary, will have to decide this week whether or not they will accept the proposal put forward by the men for wage increases of 15 and 20%, according to the type of labor.

No alternative to failure to receive a decision was given by the men, who are members of the Amalgamated Association of Steel, Iron and Tin Workers of North America, an affiliate of the C.I.O.

Price Realty Co. Calls All Bonds

From Our Own Correspondent

MONTREAL.—Price Realty Co., subsidiary of Price Bros. & Co., has issued a notice saying that it will redeem the outstanding first mortgage bonds, as from May 1, at 123.75. This figure represents 99% of the face value and accrued interest to May 1, 1937.

Public financing was carried out by Price Realty in 1931. The bonds were secured by land and a building erected in Quebec City to house the executive offices of the parent company. Interest was defaulted on May 1, 1933, when the parent company failed to pay rents due under a notarial lease.

Security Offerings

Hendershot Corrugated Paper Co.

Offering is being made by Harrison & Co., Toronto, of 15,000 no par value common shares of G. W. Hendershot Corrugated Paper Co., Limited, Hamilton, at $12.50 a share. No dividends are being paid at present, but G. W. Hendershot, president of the company, states that it is the intention to pay an interim dividend in 1937.

Particulars of the issue follow:

G. W. Hendershot Corrugated Paper Co. Limited

Company — Dominion incorp., formerly partnership, manufactures corrugated paper cartons, boxes, wrappers, etc.
Location and Business—Hamilton, Ont., production capacity $600,000 annual sales value plus additional machinery installed this year. Has substantial contracts, one to five years, with well known industrial customers.
Capital — Authorized, 60,000 common shares; issued, 30,000 shares.
Earnings — 1934, $13,281; 1935, $36,865; 1936, $50,794; estimated by G. W. Hendershot for 1937 at not less than 1936 earnings which were equivalent to $1.69 a share.
Purpose of Issue—To provide net proceeds of $150,000 to complete purchase of 15,000 shares from H. S. Merrill, former partner in the business; to pay expenses of issue and to provide additional working capital.
Balance Sheet—Assets, including $250,000 goodwill, total $407,015; deducting liabilities, equity for 30,000 common shares is $300,000. Current assets $62,297, current liabilities $44,710, working capital $17,587.
Offering—15,000 shares at $12.50 each in May, 1937, by Harrison & Co., Toronto.

New Dominion Branch

The Dominion Bank will open a branch at Larder Lake, Ont., on May 17, under the management of J. Walton.

British Investors Receive Warning

Share-pushers' Methods in Britain Similar to Those Here

Walter Runciman, president of the British Board of Trade, has issued a warning to British investors against the methods of share-pushers, as a comment on a pamphlet "Warning to the Public," of which millions of copies are being distributed by the Board of Trade. His description of methods used in Great Britain shows a close parallel with methods of stock-selling used in some questionable Canadian promotions.

The first step in the share-pusher's campaign is nearly always the postal distribution of "market reviews" or other types of investment circular, but in this connection Mr. Runciman said that he could not deprecate the issue of market reviews since there was no reason why reputable stockbrokers should not inform their clients of their views of the market.

Regarding suggestions that the Government intended to deal with the problem of circulars by a censorship of the mails, Mr. Runciman said that there was no available means of regulating the issue of circulars either by censorship or otherwise.

The Board of Trade leaflet, after describing the nature of the circulars which may be received, says:

"Persons receiving communications of this kind from strangers are strongly advised to take no notice whatever of them, and in particular they should not sign any documents or part with any money or securities at the suggestion of agents who may call upon them."

Sheep Creek Production Passes Million Mark

Sheep Creek Gold Mines produced $60,800 during April, compared with a mark for March of $38,031, and a previous high mark of $58,374 in August, 1936. April's production made an all-time high for this B. C. property.

During April, heads were up considerably due to development of high-grade ore in parallel veins knowns as the Hideaway and Bruhn.

Total recovery up to the end of last year was $894,409 since milling began in May, 1935, so that in March for the first time production climbed above the million mark, cumulative total at the end of April being $1,067,459.

BANK CREDIT FOR PROGRESSIVE BUSINESS

1937 presents opportunities for growth and expansion. The Bank of Toronto invites, and will give conscientious consideration to applications for Bank Credit from progressive business men who require money to take advantage of these opportunities.

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31

CANADIAN BANK NOTE COMPANY *Limited*

HEAD OFFICE and WORKS OTTAWA — BRANCH OFFICES TORONTO MONTREAL

Canada Joins Empire Air Chain

Round-the-world Plane Service for Mail and Freight Linking British Dominions May be in Operation Before End of Year—Air Liners Ready for Transatlantic Route

By JAMES MONTAGNES

This year Canadian businessmen doing a growing business with Empire countries can count on a faster mail service with the far flung countries under the Union Jack. Air services out of London are being speeded up; night flying over the jungles of Africa, the deserts of the Near East, the mountains of India, and the dangerous waters of the East Indies, is now being scheduled, and all first class mail is to be carried within the Empire by air.

The transatlantic section of the Empire flying service is now ready for operation. One of the huge 24-passenger flying boats of a fleet of 28 is now in Bermuda ready to take off on the first test flight to New York. The plane was shipped from London, assembled at the transatlantic airport which has been built at Hamilton, Bermuda. When service with New York is in operation Bermuda will be the terminal from which in winter planes will fly to British Guiana, to the Azores, Lisbon and London. From New York an airway already connects with Montreal and so with the trans-Canada network which it is planned to have in operation late this summer.

Other big flying boats are now coming out of the factories at Dorchester, England, for use on many sections of the Empire airways, as well as the north Atlantic summer route. This run will be via the Irish Free State, Newfoundland to Montreal.

Canada's Weather Service

Canada has started on this side of the Atlantic to put into operation a meteorological and radio service which will cover half the Atlantic route. Eighty weather stations have been established between Newfoundland and Montreal, and the main Newfoundland weather station has a staff of 12. Planes fitted with the latest in meteorological instruments are making flights on the route. Balloons fitted with instruments are sent up three times daily for weather data at the Newfoundland base, and arrangements have been completed for a teletype weather service on the route. Meanwhile radio compass stations are being assembled and placed in operation for use not only on the Canadian end of the transatlantic route, but also on the eastern leg of the trans-Canada airway.

In addition to the big four motored seaplanes, the highly imaginative Mayo Composite aircraft is now nearing completion in England for the transatlantic hop to Canada. This is a fast multi-engined mail seaplane which is launched from the wing of a large flying boat in mid-air.

Meanwhile, elsewhere in the Empire gradual speeding up is taking place, so that before the year is much farther advanced it will take only six days from London to Australia. Less than a week to fly more than half way around the world. Flights will be made twice a week from both ends of the route, on schedule.

Plans for lopping half the flying time off existing schedules was decided in London two years ago. The results will soon be seen as new fast planes speed at 200 miles an hour to bring Indian cities within 60 hours of London and make distant Singapore only four and one-half days from the centre of the Empire. Luxury airliners will fly the African jungles this year and connect London and Cape Town—8,000 air miles distant—in 108 hours. The present air schedule takes nine days.

Routes from London

At present the main route out of London crosses Europe, giving at the same time service to European cities. European service will be continued in future, but the Empire passengers, bound for India, Africa and the Antipodes, will use the new planes to cross in one jump from London to Marseilles, where flying boats will continue the route. Trains serve part of this route now. Already inaugurated this year is a non-stop flying boat run from London to Alexandria, Egypt.

Crossings over other countries have been considered a disadvantage to Britain's Empire airway in some circles. With the development of the speedy luxury flying boats now starting to be used to speed up services, planes are being completed to use longer routes over the sea so as not to touch foreign territory. Empire defense is back of these plans.

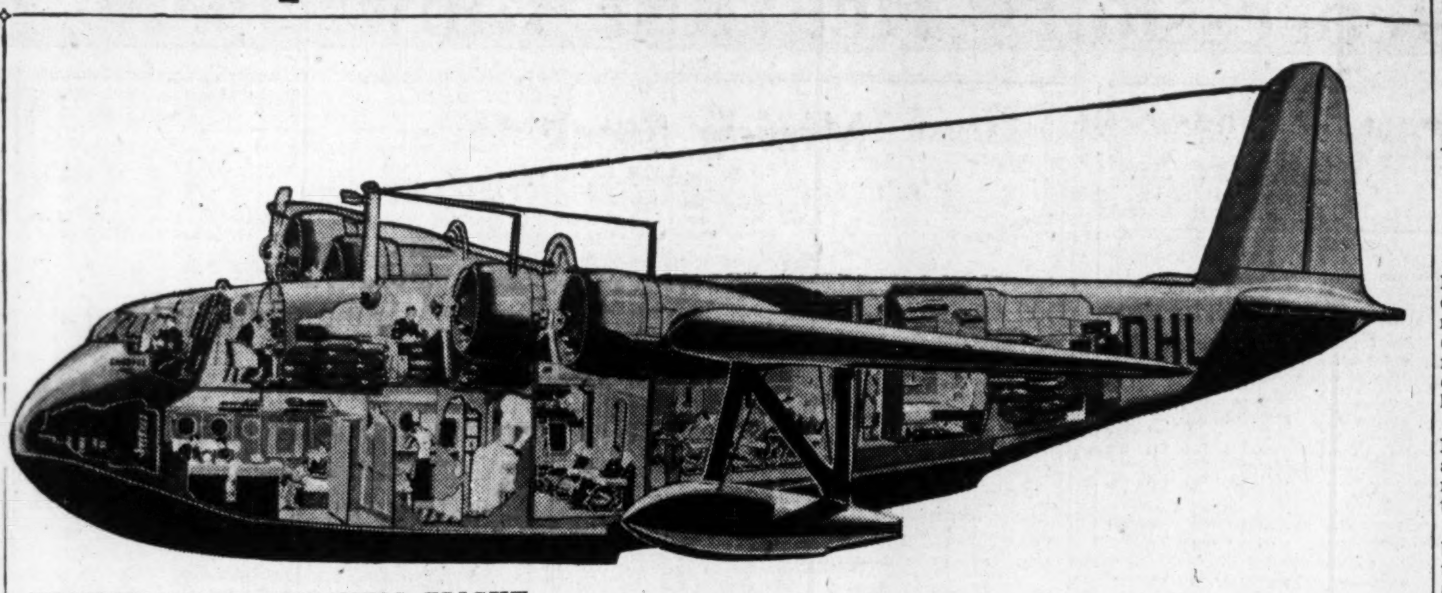
In addition to putting into service the big day and night airliners the Empire service will complete this year an augmented ground organization so as to permit air services to operate 24 hours a day. So far the Empire airplanes have rested up at night, but now airway beacons are beginning to dot the varied routes, radio beacon stations are becoming more numerous, new landing fields and air harbors are being developed, and a vast network of weather stations is being set up by each Dominion on the route to give faster and more frequent service for the speedier planes.

Airmail Stationery

The needs of Empire commerce are being met by the paper makers in the production of stationery specially intended for air purposes. By using such light weight papers and envelopes, banking documents, waybills and other commercial papers, it is possible to prepare business letters in the usual way and have these typed on paper of normal size, yet keeping the entire contents within the half ounce limit. In spite of its extreme lightness the new airmail stationery is reported to be both tough and durable, sufficiently opaque to prevent contents of a lower sheet from showing through that immediately above it.

The launching of the trans-Canada airway for airmail service, will provide an airway connecting all parts of the Empire. Mail flown from London across the Atlantic will continue over the trans-Canada airway, will link at Vancouver with the United States lines to San Francisco, will there be taken on the Hawaii-Philippine Island route to Hong Kong. There air mail from India and Australasia will be taken aboard the American seaplanes for flight back to the United States and Canada.

The Canadian link on the transatlantic route is the culmination of several years work. Agreements have been concluded by Canada, the United Kingdom, Newfoundland and the Irish Free State for the formation of a company of which 51% of the stock will be held by Imperial Airways, partly government owned, with the Canadian and Irish Free State governments each holding 24½%. The new company will be given landing rights in New York now held by Great Britain, and Pan-American Airways will cooperate in the actual operation of the transatlantic route.



AIRLINERS FOR ATLANTIC FLIGHT

When the proposed transatlantic service linking Canada and Great Britain by air is inaugurated for passengers flying boats of the type above will provide comparative comfort for the 26-hour flight. They will carry 24 passengers, with sleeping accommodation for 16. Each boat has an observation saloon, a smoking cabin and two other cabins. There is a mail compartment in the rear and a mooring compartment forward. The upper deck has the pilot cabin, another cabin for the radio operator and farther back a mail compartment with an office for the mail clerk. Behind the wings is a hold for the storage of bedding, upper berths of the rear cabin and a freight compartment. With all this bulk the ship weighs 18 tons fully loaded and can do 200 miles an hour.

$500 Fare Predicted For Atlantic Flight

Research Expert Estimates Freight Rate at $1 a Pound, Mail 35 Cents an Ounce — Montreal to London in 25 Hours

When the transatlantic air service is finally in regular operation, what will it cost to carry mail, freight and passengers, and how long will they be in transit?

The probable answers are:

Rate for mail, 35-40 cents an ounce; package freight, $1 a pound; passenger fare, $500; time, 25-26 hours.

The estimates have been provided in an analysis undertaken by J. H. Parkin of the National Research Council, of the problems to be solved in converting the vast scheme into practical actuality. The results of his comprehensive study, and his predictions of the probable solutions, are embodied in a paper to be read before the assembly of the Engineering Institute of Canada in Montreal, June 15-17.

Great Circle Route

The course to be followed by planes in the service will undoubtedly be the Great Circle Route across the North Atlantic, says Mr. Parkin, who has undertaken the survey unofficially and presents the study as his own views. Not only are the weather hazards less serious on the whole than on the milder-in-winter southern route, but the Great Circle distance between London and Montreal is only 3,250 miles. The southern route distance between the same points is 5,250 miles.

It is anticipated that the London-Montreal trip will be made non-stop as soon as sufficiently reliable aircraft can be developed. Until then, the proposed schedule calls for stops at Southampton, Limerick, Ireland; Botwood, Newfoundland; and Shediac, N.B.

The suggested schedule for the westbound service is as follows: Leave London, 8 p.m., carrying mail posted at close of business day; Limerick, 12 midnight; arrive Botwood, 11 a.m. (Atlantic Time); arrive Montreal, 5 p.m. (Eastern Standard Time). Elapsed time in flight, 26 hours. Mail and small parcels will be delivered overnight to eastern Canadian and United States points, thus making it possible to transmit from London to such destinations within 48 hours.

On the westbound trip, planes would leave Montreal at 2 p.m., with mail collected at noon; leave Botwood, 10 p.m.; arrive Limerick 4 p.m., London 8 p.m. Elapsed time, 25 hours, permitting mail delivery to most European points the following morning.

Mr. Parkin estimates that the new air link between continents will carry approximately 2½% of the volume of mail, freight and passenger traffic at present carried across the Atlantic by steamship. On this basis, he calculates that 1,700 pounds of first-class mail would be flown across the ocean each week, indicating a price of $6 a pound; 2,200 pounds of parcels, at $1 a pound; and an average of 25 passengers each way per week, at a fare of about $500 per passenger. It is anticipated that there will be three flights each way per week.

The report advances the belief that the hazard of storms and other weather handicaps over the Atlantic will be largely overcome by development of comprehensive weather information services, permitting delays of take-offs and changes of routing to avoid adverse conditions. It is also pointed out that planes flying at heights of between 10,000 and 12,000 feet will be able to fly above the known heights of cyclonic storms.

Development of blind flying is considered to have overcome the hazard of flying through fog and heavy cloud formation. Piping of exhaust gases to the wings should prevent formation of ice on wings and propeller blades, it is believed.

An interesting revelation in the report is that a direct reading radio compass has been developed by Maj.-Gen. A. G. McNaughton, president of the National Research Council, and Col. W. A. Steel, and will be given trials in Canada this year.

New Trade Pact For Canada - Haiti

Assures Present Dominion Outlet for Flour, Fish and Tires

From Our Own Correspondent

OTTAWA.—A continuance of the present trade between Canada and Haiti is assured by the signing of a commercial treaty between these two countries. The new agreement provides for the extension of the most-favored-nation treatment for a period of one year, but is then to continue indefinitely unless denounced on six months notice by either party. It replaces the "modus vivendi" which has been in force between the two countries since July 15, 1935. This provided for the exchange of most-favored-nation treatment, but it was due to expire on April 15, 1937. It was continued in force beyond that date on the understanding by both countries that it would be replaced as soon as possible by a commercial agreement.

The new agreement assures that Canadian goods imported into Haiti will be granted the benefit of the minimum tariff of that country in place of the 100% higher maximum.

The chief products exported from Canada to Haiti are flour, salted and smoked fish and rubber tires, while imports chiefly consist of sisal, istle and tampico fibre.

Chant Ousting Swells Ranks Of Insurgents

Aberhart Thought to Have Weakened Position By Firing Minister

From Our Own Correspondent

EDMONTON.—Hon. W. N. Chant, Minister of Agriculture, has been ousted from the Social Credit Cabinet, through an order-in-council cancelling his appointment. He refused to comply with a written request from Premier Aberhart that he submit his resignation.

The new minister, D. B. Mullens, Edmonton Social Credit member, is an unswerving disciple of the Premier. He operates a hog ranch on the outskirts of Edmonton.

The Cabinet change was effected by Mr. Aberhart at a time when the Government's handling of seed grain distribution was under fire, and considerable agitation in drought areas was evident.

It was reported, though not immediately apparent, that the Chant incident had caused further defections in the Government strength, among members friendly to Mr. Chant and hitherto loyal to Mr. Aberhart.

The line-up of party opinion in the Province on Mr. Aberhart's request that supporters decide before the House convenes June 7 to stay with him or cross the floor of the House, is not clarified, other than the swing toward the insurgent position is evident. Insurgents claim more than 20 members solidly lined up to vote against the Government. The number will be more than 30 by June, insurgent leaders believe.

44 Volumes to Review U. S.-Canadian Relations

The survey of Canadian-American relations undertaken in 1933 by the Carnegie Endowment for International Peace has been expanded into a project for publication of 44 volumes. The encyclopedia will chronicle the history and effect of these relations in the social, economic and political fields.

One volume of the series has already been published, and eight others are in process of publication. The initial unit consists of a study of the two countries' relations in regard to industry, finance and balance of payments. The authors are Prof. Kenneth W. Taylor, of McMaster University; Prof. Frank A. Southard, Jr., of Cornell, and Herbert Marshall, of the Dominion Bureau of Statistics, with Prof. Frank A. Knox, of Queen's University, contributing a comprehensive appendix.

Among the subjects of the published survey are an historical account of the interplay of labor organizations on this continent (two volumes); railway inter-relations, by Col. W. J. Wilgus, railway engineer; "The North American Assault on the Canadian Forest," "American Influence on the Canadian Mining Industry," "Settlement of Canadian-American Disputes," and "Canada and the Law of Nations." Several volumes will be devoted to American tariff policy and its effect on Canadian agriculture.

VISIT GERMANY IN FESTIVAL YEAR

The "Pfalz" in the Rhine

Follow the lure of the romantic Rhine. Stroll along the boulevards of Berlin. Browse in the galleries of Munich or Dresden. Dream in the historic grandeur of medieval picture towns. Take a cure in Germany's fashionable spas. Disport with the sea or in mountain lakes under bright skies and in a perfectly tempered climate.

Black Forest Musicians

All Germany will be keyed to a spirit of gaiety and pleasure for the great music, opera, theatre and picturesque folk festivals this summer.

Bayreuth: the Wagner Festival, July 23 to August 21.

Berlin: Art Weeks, symphony, choir, opera, drama, concerts.

Dresden: International Music Festival, concerts, opera, plays.

Duesseldorf: Exhibition — "Nation at Work", May 8 to October 8.

Frankfurt on the Main: Roemerberg Festival Plays—Goethe, Schiller, Shakespeare in front of historic Town Hall.

Heidelberg: Reich Festival Plays in the courtyard of the famous Castle, July and August.

Munich: Wagner-Mozart-Strauss Festivals, July 21 to August 26.

Many other fascinating events all season throughout the country.

For your personal comfort: modern transportation and homelike accommodation at honest prices. Railroad fares reduced 60%. Travel Marks available far below regular Reichsmark quotations.

Consult travel agent or steamship office or write for information and interesting booklet No. 11B

GERMAN STATE RAILWAYS
INFORMATION BUREAU
67 YONGE STREET - TORONTO

Newfoundland Notes

Reports from the sealing fleet indicate that the present trip may yield the smallest catch in many years. It is stated that only one of the seven ships has obtained a satisfactory catch and that one ship is almost "clean." Observers believe that few of the 1,400 men employed will earn enough to cover expenses incidental to the voyage.

Failure of the seal hunt is attributed to unusually heavy, unbroken ice, which has hemmed in the ships.

* * *

The Commission of Government has approved in principle and will shortly settle details of an agreement with the Santa Cruz Oil Corp., of San Francisco, whereby this company will establish a subsidiary in Newfoundland to engage in introducing a large scale herring oil and meal manufacturing industry. Plans call for two years of investigation by the company and, if results are satisfactory, floating or land factories will be established in the third year. The factories would have a guaranteed annual production of not less than 800,000 barrels of herring.

In return, the company will be given exclusive right to manufacture herring oil and meal in specified sections of the country for periods of 12 to 15 years.

* * *

Stocks of codfish held in Newfoundland declined 36,000 quintals during February to 181,329 quintals. Almost 60% of the total was in shore fish, with Labrador holdings 44,752 quintals and bank fish 18,661 quintals.

* * *

Revenue for February amounted to $597,845 compared with $614,428 a year ago. Most of the reduction is attributable to lower customs collections.

Travellers

T. B. and **Mrs. Macaulay,** Montreal, are proceeding to London after spending the spring season in Italy.

* * *

Werner Haag, representatve of the German State Railway in Toronto, has sailed for England to be in London until the end of May when he will conduct a party of Canadan war veterans on a visit to Berlin.

* * *

Senator and **Mrs. C. C. Ballantyne,** Montreal, sailed from New York in the Queen Mary for England recently. They will remain abroad two months.

* * *

Mayor Robbins, of Toronto, and **Mrs. Robbins** are attending the Coronation.

* * *

William C. C. Van Horne, Toronto, accompanied by **Mrs. Van Horne** and **Matthew Hannon,** sailed in the Hamburg-American-North German Lloyd liner, Hamburg, recently for Europe.

* * *

Senator A. D. McRae, Toronto, sailed in the Cunard White Star liner, Queen Mary, to attend the Coronation.

* * *

H. B. and **Mrs. Housser,** Toronto, sailed in the Empress of Australia for England. They expect to be away until the middle of June. Mr. Housser is president of the Toronto Stock Exchange.

Farm Output

An increase of over a million dollars is shown in the value of agricultural products in Nova Scotia last year over 1935, according to Dominion Bureau of Statistics' estimates.

Canada Employs 1,000 Pilots

There were over 1,000 private and commercial pilots operating in Canada during 1936, according to a report just issued by the Federal Department of Transport. At the year end there were 559 private pilots, 380 commercial pilots and 65 commercial pilots with limited licenses.

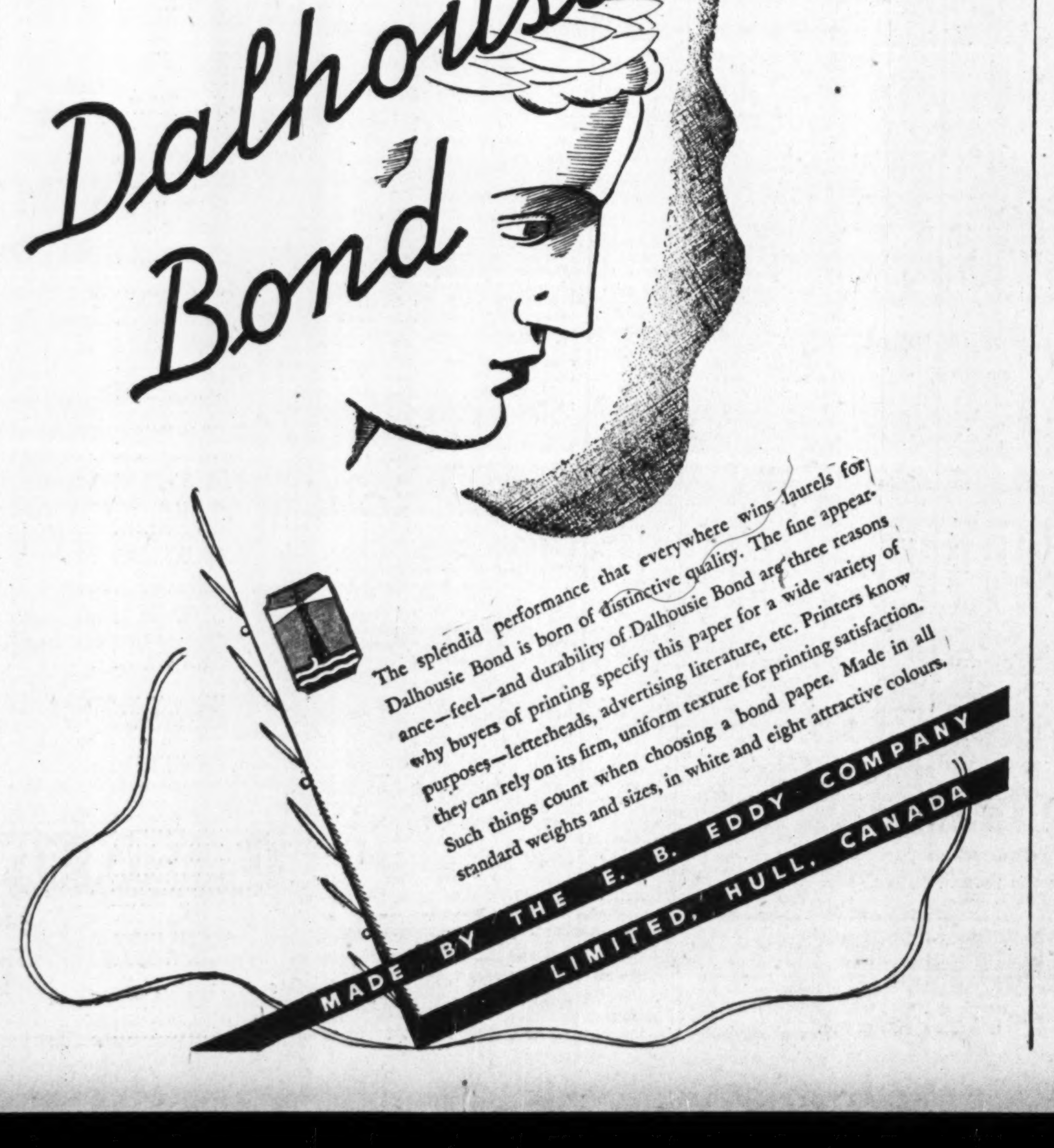
Total number of commercial aircraft amounted to slightly over 400 with 73 private planes.

In light airplane clubs by far the greatest activity was reported by the Toronto Flying Club with a total of almost 2,800 hours flown. In second place was the Winnipeg Club with slightly under 1,500 hours followed by Calgary with 1,300 and London with almost 1,100. The total hours flown by all light airplane clubs in Canada in 1936 amounted to 17,324. This was considerably better than in any immediately previous year and was only closely approached once before when in 1929 total number of hours flown amounted to 16,612.

Telephone Stock Issued

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada announces that during April 312 shares of the capital stock of the company were issued for the purposes of the employees' stock plan. This brings the outstanding capitalization to 787,102 shares.



"FEELS GRAND TO BE OUT OF THE 'ALL THREE' CLASS!"

Here's why Harry V. Kegel bought a Nash Lafayette-"400"

* * *

Talk to the people who are changing to Nash this year. Watch them smile. Listen to them enthuse. Then go see this exciting car that's caused so much attention. Here are just a few facts. It's a luxurious 117-inch wheelbase car. It has a 90 horsepower six cylinder engine. You get *larger* hydraulic brakes. *Stronger* all steel bodies. Extra-wide seats, more headroom and legroom. There are dozens of other things you ought to know about the Nash LaFayette-"400"—and remember it *delivers* for just a *few* dollars more than any of the "All Three" small cars.

Let us show you the Nash Ambassador Sixes and Eights. Do you know they're even bigger than cars costing $300 more. Take a look at the 125-inch wheelbase Nash Ambassador Eight. We think it's one of the real "luxury cars" in Canada. See it. Drive it. Price it. Let us show you the X-Ray System—gives you all the facts about all the cars.

"MY 117-INCH WHEELBASE NASH COST ME ONLY A FEW DOLLARS MORE* THAN THOSE SMALLER CARS!"

Actual photograph of Nash LaFayette-"400" 4-Door Sedan with trunk

*For as little as $3 or $4 a month extra you can get out of the "all three" class. The Nash LaFayette-"400" 4-Door Sedan with trunk DELIVERS for just a FEW dollars more than the similarly equipped 4-door sedans of the "All Three" small cars. In many places, the SLIGHT difference in price amounts to just $3 or $4 a month extra on your time payments.

$810 and up ... *NASH LaFAYETTE-"400" $810 and up; NASH AMBASSADOR SIX $1030 and up; NASH AMBASSADOR EIGHT $1170 and up.* All prices Canadian list and subject to change without notice. Special equipment extra.

PRICES SUBJECT TO CHANGE WITHOUT NOTICE

BREAY-NASH MOTORS LIMITED, 1152 Bay Street (Distributors) Kingsdale 5141

BLYTHWOOD MOTORS	2709 Yonge St.	HU. 1134
AUTO SERVICE LTD.	685 Queen St. W.	WA. 9773
KINGSWAY AUTO SALES	3191 Bloor St. W.	JU. 7345
ROSEDALE GARAGE CO. LTD.	921 Yonge St.	MI. 4625
SCARBORO BEACH GARAGE	2301 Queen St. East	GR. 1961
WINDERMERE MOTOR SALES	753 Vaughan Road	ME. 7764
H. R. HOLMES MOTORS	1365-7 Queen St. W.	KE. 3412
WILSON & HARGRAVE LIMITED	Teddington Pk. Ave.	HU. 6960
JUPP SALES & SERVICE	815 Danforth Ave.	GL. 1322
SMITHS GARAGE	26 Athol St. W., Oshawa, Ont.	
TATUM MOTORS, LIMITED	776 King St. E., Hamilton	

A few dealer territories available—Apply Wholesale Department

STOCK AND BOND MARKET QUOTATIONS

Montreal, Toronto, Curb

The following table is confined to official prices for listed stocks. Where no recent transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING MAY 8

Range 1937 High	Low	Div R'te $	May 7 Y'ld %		Sales	Last May 3	Week end. May 8 H	L	Cl'se
				A					
15¼	6¼	.	...	Abitibi	27897	9¼	10	9¼	9¼
80	41¼	.	...	Do. pref. 6%	5161	64	71	65¼	67
97	60	.	...	Do. pref. 7%	50	90	92	91	92
79¼	41	.	...	Do. cert. dep.	658	64	70	66	66
6¼	4¼	10c	...	Acadia Sugar	....	(— bid 5 asked)			
18¼	9¼	50c	5.3	Acme Glove	....	(9¼ bid — asked)			
94	75	6.50	8.7	Do. pref.	....	(— bid 85 asked)			
12	8¼	40c	4	Agnew Surp.	100	10	10	10	10
110	105	7	6.7	Do. pref.	20	106	105	105	105
7	4¼	.	...	Alta. Pac. Gr.	150	5¼	6	5	5¼
43¼	28	.	...	Do. pref.	55	34¼	35¼	33	33
135	116	.	...	Aluminum	....	(107 bid 110 asked)			
130	130	6+3.75▲	.	Do. 6% pref.	....	(130 Mar. 19)			
7	5	.	...	Amal. Electric	....	(— bid 5 asked)			
31	26	.	...	Do. pref.	....	(— bid 26 asked)			
35¼	29¼	15c	...	Amer. Cyn. B.	200	31	30	29¼	29¼
122¼	80	.	...	Asbestos	1329	89	100	89	98
3	2	.	...	Do. Rights	10203	..	3¼	2	2¼
16	11	80c	5.8	Assoc. Brew.	431	14	14	13¼	14
				...					
8¼	5¼	.	...	Enam. & Heat.	25	6¼	7	7	7
37	30	.	...	English Electric	....	(31¼ bid 35 asked)			
16¼	11	.	...	Do. (B)	55	11	12	11¼	11¼
7	5¼	.	...	Equitable Life	2	6¼	6	6	6
10¼	9¼	.	...	European El. A.	5	9¼	9¼	9¼	9¼
.65	.65	.	...	Do. Warrants	....	(.35 bid — asked)			
				F					
13	8¼	.	...	Fairchild Air	1300	9	10¼	9	9¼
35	24	.	...	Fam. Players	....	(— bid 30 asked)			
34	29	.	...	Do. Vot. Tr.	....	(— bid 35 asked)			
24¼	19	25c	...	Fanny Farmer	640	21	21	20	20¼
29¼	22¼	1	4.1	Ford Motors A.	1266	25¼	25¼	24	24¼
2¼	1	.	...	For. Pr. Secs.	135	1	1¼	1¼	1¼
31	23	.	...	Foundation Co.	95	26¼	26	25¼	25¼
50	29	.	...	Fraser Cos.	1326	40	43¼	41	42
50	29¼	.	...	Do. Vot. Tr.	7820	40	43¼	40¼	42
52	45	.	...	Freiman, pf.	45	48¼	48	48	48
11	6	.	...	Frost Steel	....	(6¼ bid 7 asked)			
107	100¼	7	6.6	Do. pref.	....	(104 bid — asked)			
48	40	.	...	Do. pref. A.	....	(45¼ Apr. 27)			
				G					
18¼	6	.	...	Gen. St. Wares.	2555	14¼	16	14	14
110	76	.	...	Do. pref.	745	99¼	103	100	103
92¼	82	2.50+2.50		Goodyear Tire	61	82	85¼	84	84
57	53	2.50	4.7	Do. pref.	157	54	54¼	53¼	53¼
				...					
85	70	.	...	Woods Mfg. pf.	150	75	70	70	70
				Z					
7¼	5¼	.	...	Zimmerknit, c.	5	6	5¼	5¼	5¼
98	92	7	...	Do. pref.	....	(96 bid 97 asked)			

† 1936.
▲ On account of arrears. b New York quotations.
‡ Plus extra of $2 paid Feb. 1, 1937.
• Plus stock bonus of 1% paid Jan. 2, and 1% Mar. 26, 1937.
■ Plus capital distribution of $1 paid Feb. 1, 1937.

Mining Stock Quotations

WEEK ENDED MAY 8, 1937

Par Va.	Range 1937 High	Low	Company	Sales	Close May 3 (or last)	High for week	Low for week	Close May 8
...								
25c	.25	.23	Monarch Royal	17,600	.23	.26	.24	.24
5	.48	.17	Nordon	3,200	.18	.19	.18	.18
No	4.00	.85	Okalta	4,350	1.27	1.45	1.36	1.40
No	.44	.11¼	Pacalta Oil	6,900	.16	.18¼	.17	.17
1	1.50	.28	Ranchmen's	35,400	.65	.40	.28	.29¼
No	59.00	34.00	Royalite	22	42.00	38.00	38.00	38.00
No	2.00	.45	Southwest Pete	700	.60	.70	.60	.60
1	.75	.25	Spooner	100	.30	.25	.25	.25
No	.72	.16¼	United	1,850	.23	.23	.20	.20
No	.38	.05	Vanalta	4,600	.10	.09¼	.09	.09
1	3.05	.95	Vulcan	300	1.20	1.25	1.19	1.19

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 10, 1937

Public Utility Issues:	Int. Rate %	Due	Bid May 10	Asked	Bid May 4
‡Assoc. Tel. & T.	5½	'55	83½	86½	83
▲Avalon Tel.	5½	'48	101½	...	101½
Beauharnois P.	5	'73	59	62	59
‡Bell Telephone	5	'55	113½	116½	113
‡Do	5	'57	117½	120½	116½
B. C. Power	4½	'60	95	98	95
B. C. Tele.	4½	'61	102	105	103
‡Calgary Power	5	'60	95½	98½	94½
†Can. Nor. Pwr.	5	'53	102½	105½	102½
‡Dom. Gas & El.	6½	'45	92	95	92
‡Gatineau Power	5	'56	100½	103½	100
‡Do., A	6	'41	100½	103½	100
‡Do., B	6	'41	100½	103½	100
Gt. Lakes Pwr.	4½	'56	92½	95½	92½
‡Inter Hydro-El.	6	'44	76½	79½	75½
‡Inter. Power	6	'57	98½	101½	98½
‡Do.	6½	'57	100½	103½	100½
▲Do.	6	'55	101	104	101
†Maclaren-Que. Power	5½	'61	97	100	98
†Do.	5½	'64	96½	99½	97½
†Mtl. Island Pr.	5½	'57	103	106	103
†Mtl. L., H. & Pr.	3½	'56	97	100	96½
†Mtl. Tramways	5	'41	101	104	101
†Do.	5	'55	79	82	77
Nfld. L. & P.	4½	'56	99	102	99½
Nat'l. L. & P.	6	'49	95½	98½	95½
N. S. L. & P.	4	'57	97½	100½	97½
†Ot'wa L.H.&P.	5	'57	105	...	105
†Ottawa Tract.	5½	'55	101½	104½	101½
†Ottawa V. Pwr.	5½	'70	104	107	104
†Power Corp.	4½	'59	99	102	99½
‡Quebec Power	5	'68	103	106	103
Saguenay Pr., B	4½	'66	101½	104½	101
*Do., A	4½	'66	99½	102½	98½
†Shaw. W. & Pr.	4	'61	96	99	95½
†Do.	4½	'70	102	105	101½
†South. Can. Pr.	5	'55	102	105	102
†United Secs.	5½	'52	72	75	...
†West. Pwr. Co.	5	'49	104	107	104
‡Winnipeg Elec.	4½	'60	104	107	104
‡Do., A	4	'65	76	79	76
‡Do., B	4	'65	65½	68½	65½
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	102½	105½	103½
Acadia Sugar	4½	'55	101½	104½	101½
†Alta. Pac. Gr.	6	'46	98½	101½	98½
Asbestos Corp.	5	'42	100½	103½	100½
B. A. Oil	4	'45	101	104	101
Canada Bread	6½	'41	107	110	107½
†Canada Cement	4½	'51	101½	104½	101½
†Canada Paper	4½	'52	95½	98½	95
Can. Steamship	6	'41	68	71	68
Can. Canners	4	'51	98	101	98
Can. Bakeries	6½	'45	100	...	100
‡Can. Inter. Pap.	6	'49	100½	103½	100½
C. P. R.	3½	'51	99½	102½	99
Do.	4	'49	102	105	102
Do.	4½	'44	101	104	101
Do.	4	Per.	...	...	93½
Do.	6	'42	...	...	...
†Can. Vickers	6	'47	97½	100½	98
†Consol. Paper	5½	'61	89	92	91½
‡Dominion Coal	6	'55	100½	103½	100
Dom. Sq. Corp.	6	'48	73	76	73
▲Dom. Stl. & C.	6½	'55	106½	109½	106
Dom. Tar	4½	'51	98½	101½	98½
Dom. Textile	4½	'55	106	109	106
†Donnacona P.	4-4½	'56	81½	84½	81½
†Eastern Dairies	6	'49	83	86	83½
†Famous Players	4½	'51	96	99	95½
†Federal Grain	6	'49	100½	103½	100½
†Fraser Cos.	6	'50	103	106	101½
†Gen. St. W.	4½	'52	95	98	...
Great Lakes P.	5	'55	92½	95½	93½
†Gypsum, L & A	5½	'48	101½	104½	101½
†Gr. Br. & Can. Invest.	4½	'59	87½	90½	88
Hamilton Cot.	5½	'48	103	106	103
Ham. By-Prod. Coke	5	'55	98	101	98½
Do.	6	'56	97½	100	97½
†Inter. Paper	6	'55	97	100	97
†Inter. P. & P. Nfld.	5	'68	103	106	103
Inter City Bak.	5½	'48	103	106	103
Inter-City West. Bakeries	6½	'50	55	58	54
†Kingston Elev.	6	'50	98½	101½	98½
Lake St. John P. & P.	5½	'61	100	103	100½
Do.	5	'61	81½	84½	81½
†Lond. Can. Inv.	4½	'48	95	98	96
†Maple L. Mill. (Bundles)	5½	'49	82	85	83
†Massey-Harris	5	'47	97½	100½	97½
†McColl-Front.	6	'49	102	105	102
†Mercury Mills	5½	'53	78½	81½	78½
†Mersey Paper	6	'49	99½	102½	99
‡M. & O. Paper	6	'45	73	76	75
Mtl. Dry Docks	6	'48	91	94	91½
Nat'l Grocers	4	'47	100	103	100
†N. A. Elevators	6	'50	96½	99½	96½
Nor. Ont. Bldg.	6½	'39	98½	101½	98½
†Price Bros.	5	'57	99	102	99
‡Prov. Paper	5½	'47	102	105	102
Queen's Hotel	6	'47	100	...	100
‡Reliance Grain	4½	'52	96	99	96
†Restigouche Co.	6	'48	113½	116½	111
Rich. Bay Bldg.	6½	'47	100½	103½	100½
†Rolland Paper	4½	'51	103	106	103
Ruddy & Co.	6½	'48	98	101	97
†Simpsons Ltd.	4½	'51	93	96	92½
†Smith, Howard	4½	'51	102	105	102
†Steel of Canada	6	'40	110½	113½	111
Sterling Coal	6	'40	92½	...	92½
Stop & Shop	6	'47	73½	77½	73½
*Twin City	5½	'52	81½	84½	80½
United Amuse.	5	'56	98½	101½	98
United Corp.	5	'53	98	101	98
Unit. Grain Gr.	5	'48	93½	96½	93½
Do.	5½	'49	96	99	96
Union Gas	4½	'50	96	99	96½
▲Wabasso Cot.	4½	'51	95	98	95
†Western Grain	6	'49	76½	79½	77
Windsor Hotel	6½	'43	80	83	80
Do.	6	'47	40	43	40
Zimmerknit	6	'51	99	102	99

‡Payable in Can. or U. S. †Payable in Can., U. S. or U. K. ▲Payable in Can. or U. K. *Payable in U. S. only.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

May 11, 1937

Industrial Stocks:	Bid	Asked
Acme Farmers Dairy, pfd.	50.00	57.00
Algoma Steel, com.	18.00	19.00
Do., pfd.	82.00	84.00
Andian Nat. Corp.	48.75	49.50
B. C. Pulp & Paper, pfd.	75.00	80.00
Do., com.	16.00	16.50
Brandram-Henderson, com.	3.50	....
Do., pfd.	16.00	....
Burns & Co., A	14.50	15.50
Do., B	6.75	7.50
Can. Tube & Steel, 1st pfd.	78.00	....
Do., com.	9.50	10.00
Can. Airways	7.00	8.00
Can. Industries, A com.	238.00	....
Can. Ingersoll Rand	130.00	135.00
Can. Western Lumber, com.	1.50	1.75
Can. Westinghouse	62.00	66.00
Chase, A. W., pfd. bonus	26.00	28.00
Claude Neon Gen. Adv., pf.	14.75	15.50
Conduits Nat., com.	5.00	6.00
Crescent Creamery, pfd.	34.50	37.00
Dom. Found. & St., new com.	30.25	31.00
Do., pfd.	99.00	101.50
Dominion Woollens, com.	.65	1.00
Do., pfd.	2.75	3.50
Dunlop Tire, pfd.	83.00	87.00
Federal Grain, com.	4.50	4.75
Do., pfd.	47.00	48.00
Goderich Elevator	7.50	8.25
Greening Wire, pfd.	103.00	105.00
Guelph Carpet, pfd.	106.00	107.00
Do., com.	25.50	27.00
Hayes Steel Prod., com.	11.50	12.50
Do., pfd.	8.25	9.25
Highland Dairy, com.	1.50	2.25
Lake St. John, com.	53.00	54.00
Lake Sulphite Pulp, com.	23.25	24.00
Loblaw's Inc. (U.S.) Units	62.00	....
McCormick's, com.	4.50	5.00
Do., pfd.	12.50	....
Morrison Brass, pfd. bonus	12.00	14.00
Mount Royal Hotel, pfd.	3.00	4.25
New Meth. Laund., pf. bon.	91.00	....
Perfection Pete., pfd.	21.00	24.00
Provincial Paper, pfd.	106.50	107.50
Reliance Grain, pfd.	97.50	99.00
Robinson Consol. Cone	10.00	11.00
Ruddy, E. L., pfd.	35.00	40.00
Seal O Sac (Can.)	15.00	20.00
Silverwoods Dairies, pfd.	3.50	4.00
Standard Fuel, com.	6.00	8.00
Do., pfd.	100.00	102.00
Supert. Petrol., B pfd.	26.00	28.00
Toronto Carpet, com.	50.00	....
Do., pfd.	52.00	....
United Steel, A pfd.	18.00	19.00
Western Grain, pfd. bonus	10.50	13.00
Weston (Geo.) Foods (Eng.)	2.50	3.00
Wings Limited	1.20	1.50
Trusts and Loan Stocks:		
Chartered Trust	94.00	....
Commercial Finance, com.	2.70	2.90
Guelph Ont. Inv., par $50	50.00	53.00
London & West. Trust	54.00	59.00
Prudential Trust	5.00	....
Sterling Trust	42.00	....
Traders Fin., com	21.00	....
Do., B pfd. bonus	96.00	99.00
Trusts & Guarantee	31.50	33.00
Insurance Stocks:		
Canada Life	530.00	545.00
Canadian Ins. Shares	15.75	18.00
Confederation Life, 20% pd.	113.00	....
Dominion Fire	133.00	....
Dom. of Can. Gen.	132.00	140.00
Empire Life, 25% pd.	11.75	13.00
Federal Fire, 25% pd.	40.00	....
Fidelity Ins. of Can.	51.00	....
Great West Life	315.00	330.00
Guar. of N.A., fully pd.	280.00	300.00
Imperial Life	345.00	355.00
Manufacturers Life	250.00	260.00
Monarch Life, 10% pd.	22.00	23.75
Sovereign Life, 25% pd.	15.00	17.50
Sun Life	665.00	680.00
Western Assurance, com.	50.00	54.00
Do., pfd.	40.00	43.50
Theatre Stocks:		
Allens Kingston, pfd.	63.00	71.00
Do. Parkdale, pfd.	66.00	....
Do. St. Catharines, pfd.	64.00	....
Do. Tor., pfd. bonus com.	28.00	32.00
Loew's London, pfd.	2.40	2.90
Do. Toronto, pfd.	114.00	120.00
Mansfield Theatre, pfd.	27.00	34.00
Paramount Kitchener, pfd.	60.00	70.00
Do. Oshawa, pfd.	90.00	....
United Amusement, A	26.25	28.00
Do., B	28.00	29.00
Investment Trust Shares:		
Can. Gen. Invest.	10.00	10.25
Can. Investment Fund	4.50	4.85
Can. Investors Corp.	9.25	10.00
Cons. Div. Std. Sec. Units	20.00	22.00
Invest. Found., pfd. bonus	65.00	67.50
Lon. Can. Invest., com.	5.00	5.25
Sec's. Hold. Corp., pfd. bonus	24.00	25.50
United Corpns., A	25.00	26.00
Do., B	28.00	29.50
Power Issues:		
Calgary Power, pfd.	89.50	90.50
Can. West. Nat. Gas, pfd.	91.25	94.00
Do., com.	26.00	....
Foreign Power Sec's., pfd.	11.25	13.00
Great Lakes Power, pfd.	98.00	100.00
Inter. Util., $1.75 pfd.	17.00	18.00
Montreal Island Pwr., pfd.	20.00	20.50
New Brunswick Tele., com.	13.50	14.50

Winnipeg Stocks

(Transactions from May 3 to May 7)

	Sales	High for period	Low for period	Close May 7
Cres. Cream., p.	10	37.00	37.00	37.00
D. Envelope, p.	20	98.00	98.00	98.00
Cryderman	2,000	.02	.02	.02
Flin Flon	8,250	.09	.07½	.07½
Gt. Falls M.	200	.16	.16	.16
Gold Lake	3,700	.03	.03	.03
Gurney Gold	5,800	.45	.35	.45
Geneva	100	.35	.35	.35
Globe Ry'lts	200	.16	.16	.16
Island Lake	500	.02	.02	.02
Monarch Life	10	24.00	24.00	24.00
Knee Lake	1,000	.03	.03	.03
Northern Mtge.	10	2.00	2.00	2.00
Monarch G. M.	81	1.35	1.35	1.35
Ore Grande	1,200	.07½	.06	.07
Packsack	2,200	.15	.13	.13
Sachigo	5,125	19.50	18.00	19.00
Star Lake	2,000	.02½	.02½	.02½
Scotia Gold	1,500	.03	.03	.03
United Grain	8	10.00	10.00	10.00
Wpg. R. Tin	2,500	.02	.02	.02
Wylie Dom.	1,400	.32	.30	.30
Wingold	7,200	.05½	.05	.05
Wings, Ltd.	535	1.50	1.45	1.50

*Stocks more active on other exchanges not included.

Unlisted Mines

May 10, 1937

	Bid	Asked
Alden G.	.23	.25
Albany River	.46	.49
Algold	.36	.38
Amm Gold	.24	.27
Armistice	.17	.19
Arno	.03	.03½
Athona	.17	.18
Arrowhead	..	.40
Area	.02½	.03½
Augite	.22	.24
Bailor	.03½	.04½
Barber L.	.14	.16
Bathurst	.03½	.04½
Bidlam'q	.17	.20
Big Master	.09	.11
Big L. L.	.03½	.04½
Bilmac	.21	.23
Baldwin	.02½	.03¼
Brengold	.10	.12
Bousquet	.02½	.03
Cuniptau	.08	.09
Cald. Bous.	.12	.14
Cal. F. F.	.08	.10
Can. Pan.	.09½	.10½
Can. Kirk.	.02½	.03
Candalaca	.44	.46
Casey C.	.01	.02
Centre'cr	..	.30
Chesterville	..	1.90
Coin Lake	.12	.14
Condor. O.	.07¼	.08
Con. Kirk.	.32	.33
Cooke Lk.	.37	.40
Cres. Kid.	..	.10
Dawson	.18	.20
Dem. Cad.	.20	.23
D. Nickel	.56	.58
Desantis	..	.42
Doreva	.38	.42
Dunlop New	.07	.09
El. Bon'z	.11	.12
Electra P.	.14	.16
Eva Lake	.12	.15
Faulk'hm	..	.41
Fernland	.17	.19
Fleming	.25	.28
Franklin	.01¾	.02¼
Frontier	.16	.18
Garnet	.03½	.04½
Gilbec	.03	.03¼
G. Range	.04	.05
Goldside	.04	.04½
Golden Gate	.43	.45
Gordon Lebell	..	.18
Grenadier	..	.25
Hudson Pat.	.05	.08
Hyslop	.13	.15
Horshoe	.03¼	.04
Hut. Lake	.19	.21
Hugh Pam.	.20	.21
John Nip.	.05	.06
Kaw Crow	.11	.13
Kenecho	.11	.13
Kenricia	..	.55
Kew'Gama	.44	.43
King Kirk	.02½	.03
Kir-Vit.	.17	.19
Kirk. Hudson	.02	.03½
Kirkland Gate	.12	..
Lafayette	.03	.03¾
Lake Geneva	.70	.72
Lamaque	7.75	8.25
Lardego	.09½	.11

UNLISTED MINES—(Continued)

	Bid	Asked
McCuaig	..	.15
Magnet	.12	.15
Magnet C.	..	.33
Mal. Gold	..	.35
Martin McNeilly	.05	.07
Martin Bird.	.85	.88
Margaret	.33	.37
Maritime	.24	.28
Mat. Can.	.15	.17
Moffatt New	.07	.08½
McFarlane	.10	.11
McCarthy Webb	.27	.29
McVittie	.06	.08¼
Monarch	.15	.17
Mooshla	.26	.29
Mosher	.45	.48
New Rouillard	.28	.33
North Shores	.03¼	.03¾
Nor. Min.	..	.15
Oklend	..	.22
Oleary	.11½	.13
Opem. Copper	.20	.26
Oriolle	.10	.11
Ossian	.03½	.04½
Pascalis	.23	.26
Porc. McNabb	..	.08
Porc. United	.11	.13
Palangio	.16	.19
Proprietary	2.20	2.30
Que. Martic	.18	.20
Quebec Man.	.90	.94
Rajah	.22	.25
Richmac	.40	.50
Ribago Old	.03¾	.04¼
Roeanor	.14	.16
Ronda.	..	.20
Rouyn Reward	.07	.08
Rubec	.04½	.05
Sand River	.24	.28
Schreiber	.09	.11
Shenangio	.20	.22
Silver Valley	.15	.17
Skookum	.13	.15
Sis. Ex.	..	.26
Smelter	.03½	.05
Spooner	.18	.21
Sturgeon River	.30	.34
Springer	.12	.14
Straw. L. B.	.15	.20
Sun Bear	.24	.26
Tonawanda	.05½	.06½
Uchi Lake	.85	.95
Upper Can.	.57	.59
Wascana	.18	.21
Balloc	.07½	.08½
Williamson	..	.09
Wesley	.12	.15
Westside	.07¾	.08½
W. R. Lake	.06	.07
Wendigo	.20	.22
White Horse	.14	.17
Winoga	.16	.19
Woco	.17	.20
Young Davidson	.17½	.19½
Ypres Cad.	.15	.17

Municipal Bonds

	Rate	Due	Bid	Ask.	Yld.
†Halifax	5	1961	109.50	111.50	4.24
Hamilton	5	1950	107.00	110.00	4.00
Montreal	5	1945	103.00	105.00	4.25
Ottawa	4½	1945	105.25	107.25	3.50
†Quebec	5	1959	99.50	101.50	4.89
Saint John	5	1950	105.50	107.50	4.27
Toronto	4½	1955	107.00	110.00	3.73
†Vancouver	5	1950	88.00	93.00	5.78
Winnipeg	5	1944	97.00	101.00	4.83

†Payable Can. and N.Y.

Listed Bonds

Week Ended May 8, 1937

	Int. rate	Due	High	Low	Range 1937 High	Low
Mtl. L. H. & P. Debs.	3	'39	50¼	...	50¼	50¼

Government Bonds

Dominion of Canada Bonds

May 12, 1937		Bid	Ask.	Approx. Yld.
‡5½	1 Dec. '37	102.50	103.00	.10
2½	15 Oct. '39	102.00	102.50	1.45
4	15 Oct. '39	105.50	106.00	1.50
2	15 Nov. '39	101.00	101.50	1.40
1½	1 June '40	99.75	100.50	1.33
4½	1 Sept. '40	107.75	108.25	1.93
1	15 Mar. '41	97.25	98.00	1.54
5	15 Nov. '41	110.25	110.75	2.46
3	15 Oct. '42	103.00	103.50	2.31
2½	1 June '43	100.25	101.00	2.32
5	15 Oct. '43	111.25	111.75	2.99
4½	15 Oct. '44	109.00	109.50	3.07
▪2½	15 Aug. '45	98.50	99.00	2.63
4	15 Oct. '45	105.35	105.85	▴2.99
4½	1 Feb. '46	108.75	109.25	3.27
3½	15 Oct. '49	101.25	101.75	▴3.23
4	15 Oct. '52	105.00	105.50	▴3.37
3	1 June '55	95.50	96.00	3.29
4½	1 Nov. '56	108.00	108.75	▴3.41
4½	1 Nov. '57	108.00	108.75	▴3.50
4½	1 Nov. '58	108.50	109.00	▴3.54
4½	1 Nov. '59	108.75	109.25	▴3.57
▪3¼	15 Jan. '61	98.75	99.25	3.29
3¼	1 June '66	95.65	96.15	3.46
♦3	Perp. bds.	86.65	87.15	3.44

Dominion Guaranteed Bonds

Canadian National Railway:				
3	1 May '44	100.75	101.75	2.72
3	15 Dec. '50	95.75	96.75	3.30
3	15 Feb. '53	95.00	96.00	3.32
*4½	1 Sept. '51	111.50	112.50	3.40
*4½	1 Feb. '56	111.75	112.75	3.57
†4½	1 July '57	111.25	112.25	3.64
*4¾	15 June '55	114.25	115.25	3.60
5	1 Feb. '54	114.75	115.75	3.74
*5	1 July '69	114.50	115.50	▴3.19
*5	1 Oct. '69	116.25	117.25	▴3.60

Provincial Government Bonds

New Brunswick:				
4	1 Sept. '54	100.00	102.00	3.84
†4½	15 Apr. '61	105.00	106.50	4.07
†5	15 Jan. '60	112.00	114.00	4.05
Nova Scotia:				
3	2 Sept. '45	96.00	98.00	3.27
4½	15 May '43	105.00	107.00	3.20
†4½	15 Sept. '52	105.50	107.50	▴3.63
†5	1 Mar. '60	113.00	115.00	4.00
Ontario:				
*3	1 Dec. '51	94.00	95.50	3.39
*4	1 June '62	103.50	104.50	3.72
4½	1 June '50	108.50	109.50	3.60
*4½	15 Jan. '62	108.50	110.50	3.84
5	15 Oct. '48	112.50	113.50	3.55
*5	2 Dec. '60	116.50	118.50	3.82
5½	1 July '46	114.50	115.50	3.52
Ont. Hydro Comm.:				
3½	1 Apr. '47	100.25	101.25	3.35
4¾	1 Jan. '70	113.00	114.50	3.96
Prince Edward Island:				
3	1 Oct. '45	96.00	98.00	3.27
Quebec:				
4	15 Mar. '52	103.00	105.00	3.57
4¼	1 Aug. '58	106.00	108.00	3.71
4½	2 Jan. '63	108.00	110.00	3.88
Alberta:				
4	15 Dec. '54	58.00	60.00	§
†4	1 Dec. '57	58.00	60.00	§
4½	1 Oct. '51	69.00	72.00	§
†4½	1 Oct. '56	60.50	62.00	§
†5	1 Jan. '48	63.00	65.00	§
5	1 Sept. '55	62.00	63.50	§
*5	1 Oct. '59	63.00	65.00	§
†5½	1 Jan. '47	63.50	66.00	§
6	1 Mar. '47	67.50	69.50	§
British Columbia:				
†4	1 Dec. '57	92.00	93.00	4.52
*4½	15 Jan. '51	97.50	98.50	4.65
†4½	1 Oct. '53	95.00	96.00	4.85
†5	15 Jan. '48	99.50	100.50	4.94
5	1 Sept. '53	99.50	100.25	4.98
5½	1 Feb. '45	100.00	101.00	5.34
6	15 Feb. '47	102.00	103.00	5.60
Manitoba:				
4	2 Jan. '50	86.00	87.50	5.35
†4	1 Dec. '57	86.00	87.50	4.97
†4½	15 Dec. '56	89.50	91.00	5.24
†5	15 June '54	95.00	97.00	5.26
*5	2 Dec. '59	95.50	97.50	5.18
5½	1 Oct. '55	94.00	96.00	5.85
6	1 Apr. '47	97.00	99.00	6.12
Saskatchewan:				
4	15 Aug. '53	78.50	80.00	5.95
4	1 Nov. '60	76.75	77.75	5.74
*4½	2 July '45	89.00	90.00	6.07
†4½	1 Oct. '51	89.50	90.50	5.45
†4½	15 Mar. '60	82.50	84.00	5.76
5	1 Aug. '58	88.00	87.50	6.05
†5½	15 Nov. '46	91.00	93.00	6.50
5½	1 Oct. '52	89.00	90.50	6.48
6	15 Mar. '52	93.75	94.75	6.55

*Payable Can., N.Y. & £. ▴Calculated to call date giving lowest possible yield. †Payable Can & N.Y. ▪Payable N.Y. ‡Exempt from Dominion income tax. ♦Callable on or after Sept. 15, 1966. §Traded flat. Interest being paid at 50% of coupon rate; minimum rate 2%. •Calculated to maturity, although callable prior to that date.

Mining Dividends

	Rate	Close May 8	Yield %
Anglo-Huronian	20c	6.00	..
Beattie Gold	†5c	1.30	..
Bralorne	40c+15c	6.80	*8.1
Buffalo Ankerite	50c+5c	9.05	*6.1
Bulolo Gold	‡1.50	25.50	..
Cariboo	10c	1.53	6.5
Central Patricia	4c	3.00	..
Coniagas	12½c	2.85	..
Cons. Smelters	$1+$1	80.00	..
Dome Mines	$2+$2	40.75	*9.8
Falconbridge	30c	8.25	3.6
Hollinger	65c+45c	11.37	*9.7
Howey Gold	2c	.36	..
Hudson Bay	$1	28.75	..
Island Mountain	‡10c	.75	..
Int. Coal & Coke	‡1c	.21	..
Inter. Nickel, com.	$2	61.65	3.2
Inter. Mining	15c	12.00	..
Kirk. Lake	‡3c	1.38	..
Lake Shore	$4+$1	53.37	*9.4
Lava Cap M.	2c	.81	..
Little Long Lac	20c	5.55	..
Macassa	15c	5.20	2.9
McIntyre	$2	33.50	6
McKenzie Red Lake	4c	1.20	..
McKinley Sec.	5c	.55	..
McWatters Gold	5c	.60	..
Noranda	$3	62.62	..
Nor. Can. Mining	2c	.81	..
Nipissing	25c	2.50	..
Placer Develop.	60c	17.00	..
Premier	12c+1c	2.64	*4.9
Pioneer, B.C.	25c	4.25	..
Pickle Crow	§5c	6.15	..
Reno	12c	.90	..
San Antonio	§5c	1.59	..
Sheep Creek	8c	.78	10.2
Siscoe	20c+1c	3.85	*5.4
Sudbury Basin	10c	4.00	..
Sullivan Cons.	2½c	1.37	..
Sylvanite	20c+5c	3.05	*8.2
Teck-Hughes	40c+5c	5.20	*8.6
Toburn	8c	2.25	3.5
Ventures	2½+2½c	1.95	..
Wright-Har.	♦40c+20c	6.50	*9.2
Ymir Yankee Girl	5c	.28	..

‡Interim. †Initial.
*Yield includes bonus.
♦Includes 10c. interim paid Feb. 1 and extra of 10c.
§In addition, the company has declared an increased dividend of 10 cents per share payable June 30, 1937.

Public Utility Earnings

Jamaica Public Service

March	1937 $	1936 $
Gross earnings	75,771	74,750
Net earnings	31,366	27,794
Surplus after charges	23,349	19,087
12 Mos. End. Mar. 31:		
Gross earnings	877,561	869,793
Net earnings	350,916	353,606
Surplus after charges	249,861	249,839

Brazilian Traction

March	1937 $	1936 $	Increase $
Gross earn.	2,942,913	2,514,418	428,495
Oper. exps.	1,387,251	1,164,182	223,069
Net earn.	1,555,662	1,350,236	205,426
Three Mos. End. March 31:			
Gross earn.	8,654,342	7,406,617	1,247,725
Oper. exps.	4,039,423	3,438,088	601,335
Net earn.	4,614,919	3,968,529	646,390

Mexican Light & Power

February:	1937 $	1936 $	Incr. $
Gross earn.	706,638	661,063	45,575
Oper. exps.	501,416	444,533	56,883
Net earn.	205,222	216,530	*11,308
Two Months Ended February 28:			
Gross earn.	1,456,894	1,354,426	102,468
Oper. exps.	998,464	898,496	99,968
Net earn.	458,430	455,930	2,500

*Decrease

Investment Trusts

	Bid	Asked
Can. Amer. Trust	4.40	4.90
Can. Invest. Fund	4.45	4.80
All Can. Trustee	14.25	14.75
Trans-Canada	...	14.95
Grouped Income	6.54	6.75
Can. Equity	...	13.50
Can. Int. Tr., modified	6.25	6.75
Do., unmodified	5.75	6.25

Liverpool Corn Trade Association

SUMMARY OF ANNUAL REPORT

WORLD WHEAT SITUATION

BROADENING OF CONTINENTAL DEMAND

The Forty-first Annual General Meeting of The Liverpool Corn Trade Association, Limited, was held in the Annexe of the Holt Hall, Brunswick Street, Liverpool, on April 28th, 1937.

Mr. W. R. Nielson, president of the association, was in the chair.

The Secretary, Mr. F. W. G. Urquhart, W.S., read the notice calling the meeting and the auditors' report.

A dividend at the rate of 7½ per cent. less income-tax, was declared on the subscribed capital; £15,000 was placed to the reserve fund; and a balance of £16,193 10s. 8d. was carried forward.

The eighty-fourth annual report of the association was adopted. The following is a part summary:—

The main feature of the year 1936-37 was a broadening of the Continental demand, especially from Italy and Germany—two countries which had aimed at self-sufficiency. The role of importer was again enforced upon the United States of America. Supply was curtailed by poor harvests in Canada and the States, moderate crops in Australia and the Argentine, and the almost entire disappearance of Russia as an exporter.

The curtailment of supply and the appreciable increase in demand had its natural result in a substantial rise in the price of wheat, in common with other commodities.

Wheat Supply Position

The Food Research Institute of Stanford University, California, in their January, 1937, Survey of World Wheat, commented upon the "tightness" of the supply position, and said:—

"At the end of the crop year 1936-37 world wheat stocks now seem likely to total only about 520,000,000 bushels, or 200,000,000 less than at the beginning of the year. So low a level has not been witnessed since 1924-25; and in 15 post-War years only the estimated stocks as of about August 1, 1923 and 1925, are comparably low. The year 1936-37 thus brings to an end (at least temporarily) the period of burdensome world wheat surplus, which has continued since the late twenties. At 520,000,000 bushels total year-end stocks in 1937 would amount to less than half of the peak carry-over of 1934, and would be around 80,000,000 bushels below the average carry-over for the five years 1923-27."

Broomhall's estimate of world's stocks of exportable wheat as at 1st August, 1937, is 45,000,000 to 55,000,000 bushels only.

As the association points out:—"It is fortunate for the civilian population in Germany and Italy (and of the United States of America) that there were no State planners in the Argentine or Australia (or in Canada) prepared to pay farmers in these countries not to grow wheat in the years 1935-36."

Increased Values

The increased values over last year were reflected in the Liverpool wheat "futures" quotations, as at the close of the market on March 31, as follows:—

	1937
May (per cental)	10s. 1½d.
July " "	10s. 2 d.
Oct. " "	9s. 8⅞d.
	1936
May (per cental)	6s. 1½d.
July " "	6s. 3⅛d.
Oct. " "	6s. 2¾d.

As regards the imports of wheat and maize into Liverpool and Manchester as compared with London, they are set out in the report as follows:—

Wheat Imports

Liverpool and Manchester	
1934	6,834,000 qrs.
1935	6,714,300 "
1936	6,254,800 "
London	
1934	6,338,700 qrs.
1935	6,173,900 "
1936	6,352,500 "

Maize Imports

Liverpool and Manchester	
1934	4,256,500 qrs.
1935	3,973,300 "
1936	4,588,900 "
London	
1934	2,211,200 qrs.
1935	1,984,800 "
1936	2,007,800 "

The stocks of wheat, attracted through the operation of the "futures" market and held in public grain warehouses in Liverpool and Manchester at the end of March, were reported as follows:—

	qrs.
Liverpool, March 28, 1936	259,985
" March 27, 1937	623,975
Manchester, March 28, 1936	20,062
" March 27, 1937	109,377

With reference to the English Wheat Act, 1932, after referring to the important judgment of the House of Lords in the case of "R. and W. Paul, Limited v. the Wheat Commission," and the probable introduction of amending legislation, it is pointed out that owing to the higher level of wheat prices the tax payable in respect of each sack of flour was in March, 1937, 6d., as against 3s. in March a year ago.

Food Defence Plans

On the subject of food defence plans, the report sets out at some length the explanations given by the Ministers in the House of Commons, including the statement by the Parliamentary Secretary of the Board of Trade on February 22, and it also quotes from a speech by Mr. Graham White, M.P., Birkenhead, as follows:—

"I have no connexion with either the milling industry or the corn trade, but I have for many years watched, as a matter of interest, its operations, and they have always excited my admiration as being the way in which an efficient business should be conducted. I think I would not be going beyond what people in the trade would say if I were to tell the House that if advice and help are required they will be freely offered and freely available."

There is a short reference in the report to the eighth session of the International Wheat Advisory Committee, held in London last July. The precise work of the committee has not been divulged, and the public have not been informed of the number of countries who are still adherents to the Concordat.

With regard to maize, the report comments upon the position of the United Kingdom as a buyer of first-class importance from the Argentine, Europe, and Africa, and the percentages of imports distributed through the Port of Liverpool. In common with other cereals, the price of maize had improved. The low value of 16s. 9d. per quarter on May 20 last rose to 27s. 7½d. on March 31 this year.

Events in Europe

The concluding paragraphs of the report are as follows:—

"Events in Europe during the year ended March 31, 1937, have been unfavourable to political accord and peaceful trading between nations. The Italian-Abyssinian War, Sanctions under the League Covenant and their aftermath, the civil war in Spain, and the almost universal fear of armed aggression have followed inevitably upon the economic sapping and mining which has possessed the world since 1929. Monetary chaos, high tariffs, quotas, prohibitions, restrictions, preferences, subsidies in aid of exports, subsidies in aid of home-production, subsidies in aid of non-production, barter transactions, clearing agreements, the displacement of peaceful merchants who fully appreciated the necessity of reciprocal trade in favour of Government-compelled trusts, cartels and combines, and Government-promoted controls, pools and monopolies of raw materials, have all tended to decrease international trade. National standards of living have been lowered, and certain of the controls of commodities by Governments have given colour to present-day allegations that the world has divided into 'have' and 'have-not' nations." Consequently, to quote from a broadcast address by General Smuts from Capetown on February 10 last:—"In the spirit of approaching panic, they (the nations) are arming on a scale never known before, and such that the world cannot long endure."

International Trade

Traders throughout the world might well approve the solutions which General Smuts then offered:— "In these circumstances why not try economic solutions pari passu with political solutions? International trade and commerce may prove the way out where the way is blocked to purely political solutions. Let our aim be the opening of the barriers to international trade and commerce and the lowering of the tariff walls which now segregate the nations. International trade has always been one of the most civilizing agencies of our human advance. That has largely been the British way. Let that once more be our solution of the present crisis. The combined initiative of the British Commonwealth and the United States may go far to assist our political diplomacy to ease and improve the situation which now appears increasingly menacing."

The following were elected directors of the association to serve for three years from April 28, 1937:—Messrs. Richard N. Cornelius, S. A. Ellaby, J. R. Gaskell, H. S. Henderson, Alec. Slater, and F. O. B. Stoddart.

Messrs. Harmood, Banner and Son, C.A., were re-elected auditors.

Mr. Ernest Latham Lewis, partner in the firm of Messrs. Charlton and Bagshaw, grain merchants, Liverpool, at a subsequent meeting of the directors, was elected president of the association for the year 1937-38.

Flour Export Gains Slowly

Canadian Millers Facing Competition — Wheat Shipments Off

Canadian export millers are having a difficult time trying to rebuild exports of flour to anything like the predepression standard. At one time, about a decade back, volume of this trade reached over 10 million barrels annually. In recent years it has not been running over half this amount.

So far there is no indication of any substantial improvement. In April there was some gain over the same month a year ago, but leading exporters interviewed this week by The Financial Post report keen competition from both United States and English mills. Even the well-established Canadian export field in the British Isles has been difficult to hold with growing invasion of Northern Ireland from strong English companies.

A saving feature of the whole export flour situation has been the very considerable gain in the price per barrel. As indicated by the accompanying table there has been a sharp rise in such values, the average price of nearly $6 per barrel in April being almost $2 above the same month a year ago. Moreover in recent years it is understood that the margin of profit on this export business has increased materially for most companies. A few years ago it was practically nil.

Wheat Shrinks

Shrinkage in wheat exports this spring has been expected. A year ago Canada was busy liquidating a large surplus of wheat that had been accumulating over the previous three years. That liquidation was carried out with little interference from the Argentine which had an abnormally small current crop. This year there was a good crop in the Argentine and the bulk of this was exported in February, March and April. However, with Canada's visible wheat supply now down around 75 million bushels there is not a great deal of worry about selling. It is expected that carryover will be reduced to a normal figure of around 50 million by the end of the current crop year next July 31.

Details of flour and wheat exports are as follows:

April	Average Price $	Barrels	Total Value $
1937	5.91	285,724	1,688,655
1936	4.04	281,162	1,137,403
1935	3.79	276,907	1,051,320
1934	3.36	340,621	1,147,681
Mar., 1937	5.59	390,315	2,183,272
12 Months Ended April			
1937	4.63	4,775,569	22,138,290
1936	4.00	4,863,202	19,468,700
1935	3.75	4,873,113	18,289,679
1934	3.52	5,726,171	20,160,589

Wheat Exports

April	Average Price $	Bushels	Total Value $
1937	1.38	3,617,803	5,011,276
1936	.77	6,572,364	5,089,477
1935	.85	5,027,403	4,287,885
1934	.67	3,568,090	2,390,389
Mar., 1937	1.33	4,748,599	6,329,472
12 Months Ended April			
1937	.99	225,041,952	223,382,808
1936	.82	180,669,141	149,378,567
1935	.80	167,161,296	134,339,181
1934	.68	174,642,131	119,044,595

Standard Clay Workers Accept 10% Increase

From Our Own Correspondent

MONTREAL. — Standard Clay Works has reopened its plant at New Glasgow, the men having agreed to accept a 10% pay increase.

The plant, employing nearly 200 men, was ordered closed on April 24 when the employees declined a 10% raise offered in place of the 40% increase sought. Later the men accepted the offer but the plant did not reopen.

Bond Sales

3 p.m. May 19, New Brunswick—$3,000,000 dated June 1, 1937, as follows: 3¼%, 10-yr., 3½%, 15-yr., 3¾%, 20-yr. Clover T. Richard, provincial sec.-treas. (See announcement on page 5).

Week in Wheat

Drop in World Exports Opportunity for Canada

Overseas Orders Accumulate Here as Southern Hemisphere Shipments Fall Off — Washington Predicts Big United States Crop

From Our Own Correspondent

WINNIPEG.—World wheat markets are receiving considerable strength from the steady decline in stocks afloat to Europe. Argentine shipments are now on a much smaller scale and soon also Australian exports are expected to ease.

The anticipated heavy drafts on Canadian supplies still lie ahead, but there is accumulating a large backlog of definite orders which promises substantial weekly shipments shortly.

The official report of the United States Government on winter wheat prospects, forecasting a crop of 654 million bushels, was closely in line with general expectations. Its publication, however, must be regarded as bearish, for the quantity would cover domestic requirements for a whole year. It means that spring wheat production, which might go as high as 200 million bushels, would represent an exportable surplus.

High Corn Is Factor

Scarcity of corn in the United States continues to be emphasized. Prices over a large part of the country are ruling higher than wheat. Private reports indicate that on this account unexpectedly large quantities of wheat are being fed to livestock.

United States millers continue to return to export channels considerable quantities of Canadian wheat which they have been holding against possible domestic use in their own mills. Such wheat, because of storage in the United States, is not eligible for free admission to Great Britain. It is being offered for shipment to the European continent.

• • •

Canadian Acreage Down

A reduction of nearly 500,000 acres in the Canadian wheat area this season is predicted by the Dominion Bureau of Statistics. On the basis of reports from correspondents the Bureau places intended acreage of spring wheat at 24,367,800 acres, compared with 24,779,700 sown in 1936. In the peak year of 1932, 26,646,100 acres were sown. Principal decrease will be in Saskatchewan, and increases are expected in Manitoba.

Fall wheat acreage to survive the winter is estimated at about 650,000. This is nearly 140,000 acres above last year. Practically all of this crop is grown in Ontario. Condition is described as good.

• • •

West Needs Rain

Searle Grain Co. reports that Alberta has 80% of normal subsoil moisture, Saskatchewan 57%, and Manitoba 68%. This company believes that if an average crop, which would be about 400 million bushels on the present western Canada wheat acreage, is to be secured, a much better than average rainfall—which is about eight inches—must occur before Aug. 1. Present threatened dry area takes in most of southwestern Saskatchewan and a small corner of southeastern Alberta.

• • •

Churchill Loses

Unless there is a radical and unexpected change in wheat price spreads between cash and future there is little chance of any shipments of 1936 wheat to Churchill other than the two cargoes now in storage at that port. This appears to be the consensus among grain trade exporters. The difficulty is the widespread differential, as much as 20 cents a bushel, between October and May.

An exporter through Churchill under present conditions would stand to lose by this spread if he were unable to hedge his purchases. The spread would more than offset any advantage he might gain by shipping through the shorter and generally cheaper route. Exporters who do not gamble on wheat hedge their purchases as protection against loss in price fluctuations. Grain stored in Fort William can be delivered against option holdings. This cannot be done, however, at Churchill. The only solution for the present problem, according to A. L. Lawes, vice-president of the Montreal Shipping Company, would be to place Churchill on the same basis as Fort William to permit delivery of wheat against options.

Usually, October sells slightly higher than May, thus giving the advantage to the shipper who contracts for grain in the spring and sells in the summer or fall. Said to be the first time in 25 years, spreads this year are very much the other way.

Says Wheat Consumer Lucky That Planners Were Ignored

"It is fortunate for the civilian population in Germany and Italy and of the United States of America that there were no state planners in the Argentine, Australia or Canada prepared to pay farmers in these countries not to grow wheat in the years 1935-36."

Thus comments the Liverpool Corn Trade Association in its 84th annual report, after outlining the present narrow position between world wheat supply and demand. In this report and previous reports the association has shown itself unmistakably opposed to government interference with production, and the reader gathers that the British Government's suggested plan of creating war emergency food reserves is regarded with some concern.

The report suggests that the British authorities would be well advised to seek the advice of practical wheat traders before embarking on such a plan. The expense of storing anything like a year's supply is stated as enormous.

The steadiness of wheat and maize (corn) imports by Liverpool and Manchester in the last three years notwithstanding the fluctuating crops in many exporting countries is illustrated by the following figures from the association's report:

Wheat Imports

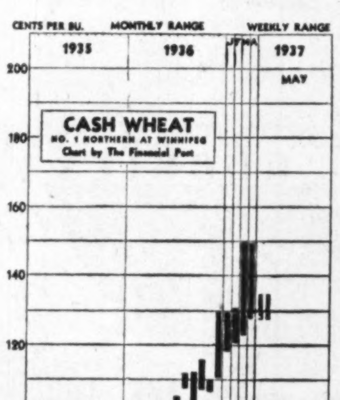
	‡(quarters)
1934	6,834,000
1935	6,714,300
1936	6,254,800

Maize Imports

1934	4,256,500
1935	3,973,300
1936	4,588,900

‡quarter = 8 bus.

Wheat Prices



(Cash Quotations)

	For Week May 10 High	Low	Prev. Week High	Low
1 Man. Hard	1.33⅜	1.28⅞	1.33¼	1.29½
1 Northern	1.33⅜	1.29¼	1.33⅛	1.29⅜
2 Northern	1.30⅝	1.26½	1.30⅝	1.26¾
3 Northern	1.27⅛	1.23	1.26⅞	1.22¼
4 Northern	1.24⅜	1.20¼	1.24⅛	1.20¼
5 Wheat	1.18⅞	1.15¼	1.18⅛	1.14⅜
6 Wheat	1.11⅜	1.06¼	1.09⅛	1.03⅜
Feed Wheat	.84¾	.81¼	.84¼	.79⅜
Vancouver: Week to May 9:				
1 Northern	1.28⅜	1.24¼	1.28⅛	1.24¼

Competitive Export Prices:

May shipments—	Week to May 7 High	Low
No. 1 North. (afloat)	unquoted	
No. 1 North. (Atlan.)	1.51¾	1.49
No. 2 U. S. Hard*	1.42¾	1.40½
No. 2 North. (Atlan.)	1.50¼	1.47½
West Australian (afloat)	1.44	1.40⅞
Australian	1.42½	1.38⅝
Argentine Rosafe†	1.40⅛	1.35⅝
Indian (new crop)†	1.39¼	1.35⅝

†June shipment *August

Winnipeg Grain Futures

Week to May 10, 1937

Crop year from Aug. 1, 1936 High	Low		Open May 5	High for week	Low for week	Close May 10
		Wheat				
1.51⅝	1.05⅝	May	1.33	1.33½	1.28⅞	1.29½
1.47	1.03¾	July	1.30½	1.31½	1.27¼	1.27⅞
1.31¼	1.04⅛	Oct.	1.20	1.20⅜	1.16¾	1.17⅞
		Oats				
.63⅜	.42¼	May	.56½	.56½	.54⅝	.55½
.60¾	.43⅝	July	.52⅞	.52⅞	.51¾	.52⅝
.54¾	.42¼	Oct.	.46	.46¼	.44⅜	.46
		Barley				
.88⅞	.50⅞	May	.71¾	.73⅞	.71½	.72¼
.82⅛	.56¾	July	.68	.69½	.67½	.67¾
.75¼	.51	Oct.	.57	.57	.54½	.54¾
		Flax				
2.03½	1.60½	May	1.76¾	1.76¾	1.73½	1.73½
2.05	1.63¼	July	1.78¼	1.78¼	1.74¼	1.74¾
2.01	1.70	Oct.	1.76	1.76	1.73	1.73¾
		Rye				
1.21¼	.62⅝	May	1.13½	1.18⅞	1.13¼	1.17⅞
1.19	.78¼	July	1.09¼	1.11⅛	1.08⅛	1.11
1.04½	.83	Oct.	.89½	.89¾	.87⅜	.89¼

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Commodities

Signing of the world sugar agreement is regarded by informed observers as a preliminary and experimental move, the ultimate effect of which is yet to be determined. It is the broadest agreement of the kind yet made in connection with commodities and it may provide important information as to the practical application of similar agreements affecting other raw materials and foodstuffs. Canada has not signed the agreement.

The agreement calls for a five-year period in which exports of sugar to consuming markets will be limited. A base quota of 3.6 million metric tons per annum is fixed and while this appears moderately high, a committee is also named with powers to raise or lower quotas on all nations from 1 to 5% in any year, as the need arises.

Wheat, cattle and silk quotations showed moderately easier tendencies in the last week and hogs were also lower. Sugar, cotton and rubber markets were firmer.

Comparative figures follow:

PRICE RANGE

	Latest week	Previous week	Same week last yr.
Cattle	$8.40	$9.00	$6.00
Hogs	9.40	9.50	9.10
Copper, lb.	.14	.14	.09½
Cotton, lb.	.1358	.1351	.1167
Rubber, lb.	.2188	.2110	.1531
Sugar, raw, lb.	.0345	.0340	.0372
Silk, lb.	2.06	2.07	1.63
Wheat Man. (bu.)	1.29¼	1.30¾	.76¼
Coffee, lb.	.09¼	.09¼	.06⅜
Hides	.15½	.15½	.10½

Weekly Indices

N. Y. Annalist	143.6	144.2	123.1
Fishers'	93.5	93.8	82.2
N. Y. Journal of Comm.	91.7	91.7	79.3
Crumps (Brit.)	82.3	83.4	68.2
U. S. Labor	87.9	88.3	79.5
Canada (D.B.S.)	85.1	85.8	72.1

Monthly Indices

Canada (D.B.S.)	Latest month	Prev. month	Same last year
Retail (Apr.)	82.2	82.0	79.8
W'sale (Mar.)	85.5	82.9	72.4
United States (Apr.)	144.4	143.5	123.8
Gt. Brit. (Feb.)	91.0	90.1	80.3

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1929 = 100 base. U. S. is Annalist 1913 base.

Base of price quotations is as follows: Cattle—Steers, good, over 1,050 lb., top price, Toronto: Copper-electrolytic, New York: Silk—Japanese, 13-15, New York: Sugar — 96 degrees centrifugal c/f New York: Wheat — No. 1 Man. North Ft. W.-Pt. A. Basis: Hides — No. 1 packer light native cows: Hogs—select bacons, Toronto.

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Canada's Industrial Dispute Laws —

Labor Troubles in 1937 Double Those Of Previous Year Yet Conflict of Jurisdiction Weakens Effective Control

By KENNETH R. WILSON

In Ottawa there is a black book which lists Canada's industrial disputes.

The record goes back over 40 years and shows that since the turn of the century there have been over 4,500 strikes and lockouts in Canada involving over a million workers and a time loss of almost 25 million man-working days.

Last year (which was comparatively quiet) there were 155 disputes involving 709 employers and about 35,000 workers. The time loss was roughly 275,000 man-working days.

Already this year there have been in the first three months double the number of disputes as in the same period last year, involving more than double the number of workers and three times the number of man-working days. If industrial troubles continue on the same scale during the rest of the year, Canada will experience the most unsatisfactory record since the turbulent coal mining strike days of 12 and 13 years ago.

Union Troubles Rising

The significant feature of these strikes and lockouts in 1937 (as in 1936) has been the increase in the proportion of disputes arising out of union questions. Last year, for example, the number of such disputes in Canada exceeded, for the first time, those due to demands for changes in wages and working conditions. This is due, of course, to the substantial increase in the number of strikes for union recognition and against discharge of workers for union membership or activities. In 1936 and 1937 the number of strikes due to causes other than union factors, wage changes, etc., were relatively few in number.

But there would be many more strikes and lockouts in Canada each month if it were not for the important conciliation machinery set up many years ago at Ottawa and in various individual provinces. Except when political capital is made of this particular function of Government or except when a major national problem such as railway wages is under discussion, very little is heard of this important factor in Canadian industrial relations—a factor which has thousands of successful settlements to its credit and which is looked upon as one of the most successful activities of its kind in any civilized country.

Conciliation and Labor Act

The bulk of these conciliation proceedings in Canada is carried on by the Federal Department of Labor under the provisions of the Conciliation and Labor Act which empowers the Minister of Labor to enquire into the causes and circumstances of a dispute and to take such steps as seem expedient to bring the parties together. Under this Act which applies generally to all industry, the Government has power to appoint a conciliator or an arbitrator when requested by the parties concerned.

This particular Act first appeared in its present form in 1906 and was at that time a consolidation of two prior acts affecting trade disputes generally and disputes affecting railways. Until 1925, when a Privy Council decision cast grave doubts on the ability of the Federal Government to adjudicate in most industrial disputes, the Act was broadly interpreted and widely used. Since that time it has continued to render valuable service to the cause of industrial relations in Canada, but in a more cautious manner so as to avoid overlapping with the rights of various Provincial Governments.

Provides Machinery

The most important function of this Act is to provide conciliation machinery so that where a dispute "exists or is apprehended" the Minister of Labor has power to exercise all or any of the following powers:

1. Enquiry into the causes and circumstances of the dispute.
2. Taking such steps as seem expedient to enable the parties to the dispute to meet together by themselves or their representatives with a view to amicable settlement.
3. Appointment of a conciliator on application of employers or workmen.
4. Appointment of an arbitrator or arbitrators on application of both parties to the dispute.

This then is one of Ottawa's chief weapons in the interests of industrial peace throughout the Dominion. It could be an important and useful weapon of far-reaching influence if it were not for its constitutional limitations. Even despite this handicap it is the Magna Carta of a competent staff of federal conciliators and mediators stationed at Vancouver, Toronto, Ottawa and Montreal.

Lemieux Act

The other trump card in the Ottawa deck is the famous Industrial Disputes Investigation Act (commonly known as the Lemieux Act) which applies more especially to industries in which the community has an immediate interest such as, for example, public utilities, railways, coal mines, etc. The original intention of this Act was to provide machinery to ensure that there should be no stoppage in such industries until all means of conciliation had been exhausted and until the public had been informed as to the nature of the dispute. Thus the Act definitely forbids a strike or lockout in the industries specifically named, until such time as an investigation has been held and a board appointed. The Act provided no machinery for making a compulsory award, but it did and does provide machinery for compulsory investigation pending a report in these industries by a Board of Arbitration appointed under the Act.

After such a report has been submitted, both parties are free to accept or reject it.

Challenged in 1925

However, the constitutional validity of this Act was brought before the court in 1923 in a dispute involving the Toronto Hydro-Electric Commission. On appeal to the Privy Council it was declared in 1925 to be ultra vires of the Federal Parliament.

Subsequently it was amended, first, to confine its operations to certain classes of dispute clearly within Federal jurisdiction and second, to enable its applications to disputes within the exclusive jurisdiction of any province which might be made subject to the Act by legislation of that province.

Thus at the present time all the provincial legislatures except those of Quebec and Prince Edward Island have passed laws declaring the Dominion Act applicable to such disputes within the jurisdiction of the province as are defined in the Act.

Some Anomalies

Even here, however, there are some curious anomalies, for, although Nova Scotia has passed enabling legislation to permit the Federal Government to invoke the Industrial Disputes Investigation Act in that province, it has specifically excluded from federal intervention the coal mines of the province. Other provinces which have passed enabling legislation have specifically asked that the usually undesirable coal mining baby be placed directly on the Federal doorstep.

Power to Investigate

One other important feature about this Act is section 65 which gives the Federal Minister of Labor wide powers (in theory) to investigate (not arbitrate) any situation in any industry where a strike or lockout has occurred or appears to be imminent. The minister may, on the application of any municipality interested, or of the mayor, reeve or other head officer, or acting head officer, or even on his own motion, without application of either of the parties to the dispute, establish a board under the Act and recommend the appointment of some person or persons as commissioner or commissioners to enquire into the matter.

Seemingly this gives Ottawa very sweeping powers in regard to industrial disputes. As a matter of fact, however, this statute since 1925 has been invoked very sparingly for fear of treading on provincial toes.

Incidentally, it is interesting to note how the two Federal Acts already described, dovetail into one another. Thus the Lemieux Act is primarily for investigation and for the creation of boards of arbitration. However, before such boards are set up it is possible for Ottawa to invoke the Conciliation and Labor Act to bring into play its conciliation services located in various parts of the Dominion.

Provincial Laws

In addition to Federal machinery, statutory laws for the settlement of labor disputes have been in force for a long period of time in many Canadian provinces. Thus the first Canadian legislation on industrial disputes was enacted by the Ontario Legislature in 1873. This Act was almost identical with a British statute of 1867 which provided for local boards of concilation to be established by agreements between employers and workmen, but restricting the scope of the boards' jurisdiction to disputes not involving any question of wages.

Nova Scotia introduced a Miners' Arbitration Act in 1888, this particular bill having been originally sponsored by the Hon. W. S. Fielding, at that time premier of the province. With perhaps the exception of Quebec, few of these provincial laws met with any degree of success and accordingly the Federal Government entered the field by enacting its first Conciliation Act in 1900.

Present Legislation

Subsequently nearly all provinces have strengthened their legislation especially in recent years. Provincial legislation now in force includes Trade Disputes Act in Ontario and Quebec; the Ontario Municipal and Railway Board Act; the Quebec Municipal Strike and Lockout Act and the Alberta Labor Disputes Act.

Within the past month Nova Scotia has passed one of the most advanced labor laws to be placed on the statutes of any Canadian jurisdiction while important new acts are also pending in Alberta and Manitoba. The Nova Scotia Act embodies for the most part the model bill sponsored by the Trades and Labor Congress at Ottawa and makes it lawful for employees to form themselves into unions and bargain collectively with employers.

It also provides that employers must recognize and bargain collectively with unions; legalizes the "check-off" in Canada for the first time, and requires trade unions to make annual returns to the provincial secretary in regard to union dues, etc. Though not strictly in the category of legislation affecting Government intervention and labor disputes it is of such considerable importance in the field of industrial relations as to be very much worthy of mention.

Gold Mining Disputes

One very important question raised by recent developments in the Ontario situation is the extent to which various governmental bodies can or may intervene in an industrial dispute affecting, say, the important gold mining area in Northern Ontario and Quebec.

Assuming the mine was located entirely in either one or the other province, then it would appear that although Ottawa's Lemieux Act gives the Federal Government jurisdiction over "any mining property" there is little or no probability of federal intervention unless specifically requested by the province concerned.

In short, even though Ottawa has apparently the power to arbitrate or conciliate in such a dispute upon the request of either one or both sides it seems doubtful that this power would be used because, (1) a gold mine (unlike a coal mining property) is not considered an industry producing something vital to the community or national welfare. And (2), the fact that, as yet, Quebec province has not implemented the present I.D.I. Act legislation.

Future Prospects

With Canada facing a period of increasing industrial unrest it seems probable that individual provinces may move rapidly to set up within their own provincial borders labor dispute laws with some element of compulsion attached thereto and applicable to industry in general.

For example, Manitoba has this year applied the principle of the Lemieux Act to industry in general and it would not be surprising if other provinces were to introduce somewhat similar legislation or at least legislation to strengthen existing laws, within the next year.

True, this machinery already exists at Ottawa, but unless Canada's constitution is to be reframed, the power to pass such legislation would seem clearly to lie within provincial boundaries except for certain special groups such as railways and public utilities which are of a definitely national importance and character.

On the other hand, there are an increasing number of industries and trades in Canada which are assuming more and more the nature of national enterprises and whether some legislative means can be found to handle the labor problems of these concerns on a national scale, remains to be seen.

At present, and with perhaps the single exception of Manitoba, industrial dispute machinery of individual provinces is of a comparatively mild nature as far as industry in general is concerned. Thus it permits for the most part only for mediation without mandatory power to insist on arbitration when such conciliation has failed.

Spotlight on Labor

Marked increases were recorded in the number of strikes, the total of striking workers and working time loss during March, in comparison with the same month last year, according to Federal Labor Department report in The Labor Gazette.

The comparative figures follow:

	—March— 1937	1936	Feb. 1937
No. of disputes	21	15	19
No. of employees involved	5,382	2,872	2,404
Time lost (man working days)	37,088	17,144	19,346

* * *

Three of the disputes listed for March, 1937, were carried over from the previous month. Of the 21 strikes in progress during the month, three were ended in favor of employers, three in favor of workers, and compromise settlements reached in eight cases. The record for April is expected to show a high level of strike activity, as this month saw occurrence of the disputes involving automobile workers at Oshawa and the women's garment workers in Montreal.

The most important strikes in March with respect to the number of workers involved were those of rubber workers in Kitchener, Ont., 550 employees; cotton factory workers, Sherbrooke, Que., 824; furniture workers, western Ontario (various points), 1,500; coal miners, Stellarton, N.S., 450.

* * *

United Front Broken

The united front presented by Canadian branches of unions affiliated with the American Federation of Labor and the C.I.O., in contrast to the A.F.L.-C.I.O. split in the United States, was shattered during the week. John Noble, of Toronto, newly appointed organizer for the A. F. of L. in Canada, appeared before the Hamilton (Ont.) Labor Council to demand an affirmation of allegiance to the Federation. When a stormy debate divided the delegates into two camps, Noble lifted the council's charter from the wall of the hall and conferred with loyal delegates on means to deal with the recalcitrant C.I.O. supporters, who outnumbered the Federationists by 51-22.

Some weeks ago, the Hamilton Labor Council ignored an order from William Green, president of the A. F. of L., for expulsion of C.I.O. adherents. For that matter, the Toronto Council, of which Mr. Noble is president, is on record as openly endorsing the C.I.O. The Trades and Labor Congress of Canada and other Canadian groups linked with the A. F. of L. have thus far either given explicit support to the C.I.O. or refused to take action which would cleave Canadian internationally affiliated labor groups into two camps. If the policy followed by Mr. Noble in Hamilton is to be followed elsewhere in the Dominion, it will not be long before the hostile, competitive alignment in the United States is extended into Canada.

Court Rulings

Interesting court rulings affecting labor were made during the week. In Winnipeg, the Fur Workers Union was restrained by injunction from picketing a fur manufacturer's plant, and assessed $2,800 damages. The court found that the privilege of peaceful picketing had been abused by interference with non-striking employees of the plant. At Hamilton, Ont., a magistrate dismissed charges of civic by-law violation laid against agents of the C.I.O. Steel Workers Union who had distributed handbills to employees of Hamilton steel companies as they left the plants.

* * *

Slow Down Strike

Introduction into Canada of the "slow down strike," a C.I.O. device used in the United States, was reported from Oshawa. Workers in a glass factory supplying the automobile industry slowed down operations almost to a standstill in an attempt to force compliance with demands of unionized employees.

* * *

Steelworkers Organize

The C.I.O. drive to unionize the Canadian steel industry was given extra momentum in Montreal. A mass meeting of steel workers was called and announcements made that initial efforts to establish the union in steel plants would be co-ordinated with the campaign to unionize the Nova Scotia plant of the Dominion Steel & Coal Co. The union claims that a majority of workers in the Peck Rolling Mills, a Dosco subsidiary, have enrolled in the union.

* * *

Tories Split Over C.I.O.

The Ontario Conservative party is now suffering from the same cleavage as split the province's Liberal Cabinet over the related matters of the C.I.O. drive in Canada and the question of labor organization. Two members of the Cabinet were ousted when they differed with Premier Hepburn over his stand on the Oshawa auto workers strike and against the C.I.O. and "foreign agitators." Now Col. George Drew, Ontario Conservative organizer, has resigned in protest against the labor policy enunciated by Hon. Earl Rowe, provincial Conservative leader.

Mr. Rowe declared his party stood for the right of labor to organize, select its bargaining representatives, and affiliate as it chose, subject only to the use of secret ballot to determine the wishes of the workers. The Conservative chieftain also declared himself against use of the sit-down strike and other illegal methods, and for preservation of law and order. But Col. Drew asserted that he was in complete agreement with Premier Hepburn's view that an organization with a record such as the C.I.O.'s, of disorder and illegality, should be checked in Canada "before it is too late."

Hope to Cut Relief Costs

Dominion Reduces Grants-in-Aid by $9.4 Millions

Reduction of its unemployment relief expenditures to $50 millions in the current fiscal year is the objective which the Dominion Government has set for itself. In the year ended March 31, 1937, relief expenditures of the Dominion Government were slightly over $80 millions.

As the first step toward its objective the Government has decided to take advantage of improving business and expanding employment to reduce grants-in-aid to the provinces by $9.4 millions to $19.5 millions. For the first three months of the current fiscal year grants to the provinces have been reduced by about 25%. Ontario's grant has been reduced from $803,250 per month to $600,000 and similar cuts have been made with respect to Quebec and other provinces.

Appropriations Lower

As indicated above the total appropriation of the Federal Government for direct relief and other measures designed to promote employment and rehabilitation of the drought area of the West in 1937-38 is $50 millions. Included in this appropriation are $19.5 millions for grants-in-aid to the provinces, $7.3 millions for Federal contributions to provincial and municipal public works, $3.2 millions for farm employment and supplementary plans, $12.5 millions for public works, $2.9 millions for the Department of Mines and Resources, $1 million for training projects for unemployed youths and $2 millions for direct relief in the drought areas.

Imperial Bank Branch Established in Rouyn

Operating a branch at Noranda since 1927, the Imperial Bank of Canada has announced the opening of a second branch office at Rouyn. The new branch is the twenty-sixth Imperial Bank office to be established in the northern mining areas of Ontario and Quebec since the discovery of Cobalt in 1903. Offices at Larder Lake, Ont., and Bourlamaque, Quebec, were opened earlier this year.

Fusion of Foes May Confront Social Credit

United Front Against Aberhart Sought in Alberta

LEAGUE CAMPAIGN

From Our Own Correspondent

CALGARY.—Fresh impetus has been given the campaign of the People's League of Alberta, for a sound administration to replace the Social Credit régime, by recent appointment as travelling secretary-organizer of Capt. H. G. Scott, former city magistrate at Calgary.

Accepting the League's invitation to return to Alberta from the Pacific Coast, where he has been living since resigning as magistrate, Capt. Scott has already addressed several meetings in Calgary, Medicine Hat and other points. The League was inspired originally by alarm over the state of affairs resulting from election of Premier Aberhart's Social Credit Government. It has now crystallized its programme into definite proposals for solution of Alberta's difficulties by means other than Social Credit principles.

Plan For Election

Since Capt. Scott's return, concrete efforts have been made to ensure that the next provincial election will be fought by a united array of independent candidates, pledged to support the League's policies. The League hopes to induce the old line political parties to nominate such candidates in every constituency, without regard for previous political affiliations.

Possibility of such a fusion to oust the present régime from office appears uncertain at present, and will no doubt depend on the League's ability to extend its membership among adherents of the older parties. To this end, the League at present is emphasizing its specific, constructive programme as an alternative to the Aberhart policies, and endeavoring to avoid relying merely on destructive criticism of the present Government and its leader.

Chief Proposals

The chief planks in the League programme are:

1. Relieving unemployment by subsistence farming community settlement, highway construction through such districts as the Peace River area; and training schemes for unskilled workless, particularly of women and girls for domestic service.
2. Adjustment of private debt burdens through compromise plans, but unconditional recognition of public debt liabilities with reduction of interests burdens through sound conversion measures.
3. Remedying the depressed condition of the agricultural population through programmes of education and special training, improved co-operation between individual farmers, and development of large scale "industrialized" farming.

Opinion is sharply divided as to the immediate outlook for the Social Credit administration. The feud between factions of the Government party appears to be too fierce to be easily abated. In some quarters it is conjectured that he will try to gain time and maintain his Legislature majority by winning over some of the insurgents with perquisites or cajolery.

Should he succeed in this, an election in the fall would not be so likely. Other alternatives are that he will be forced to an early vote by failure to heal the breach in his own party or by abandonment of Social Credit principles; and that he will be replaced as party leader by a man pledged to continue the Social Credit experiment.

Sask. Power Commission Deficit Lower in 1936

From Our Own Correspondent

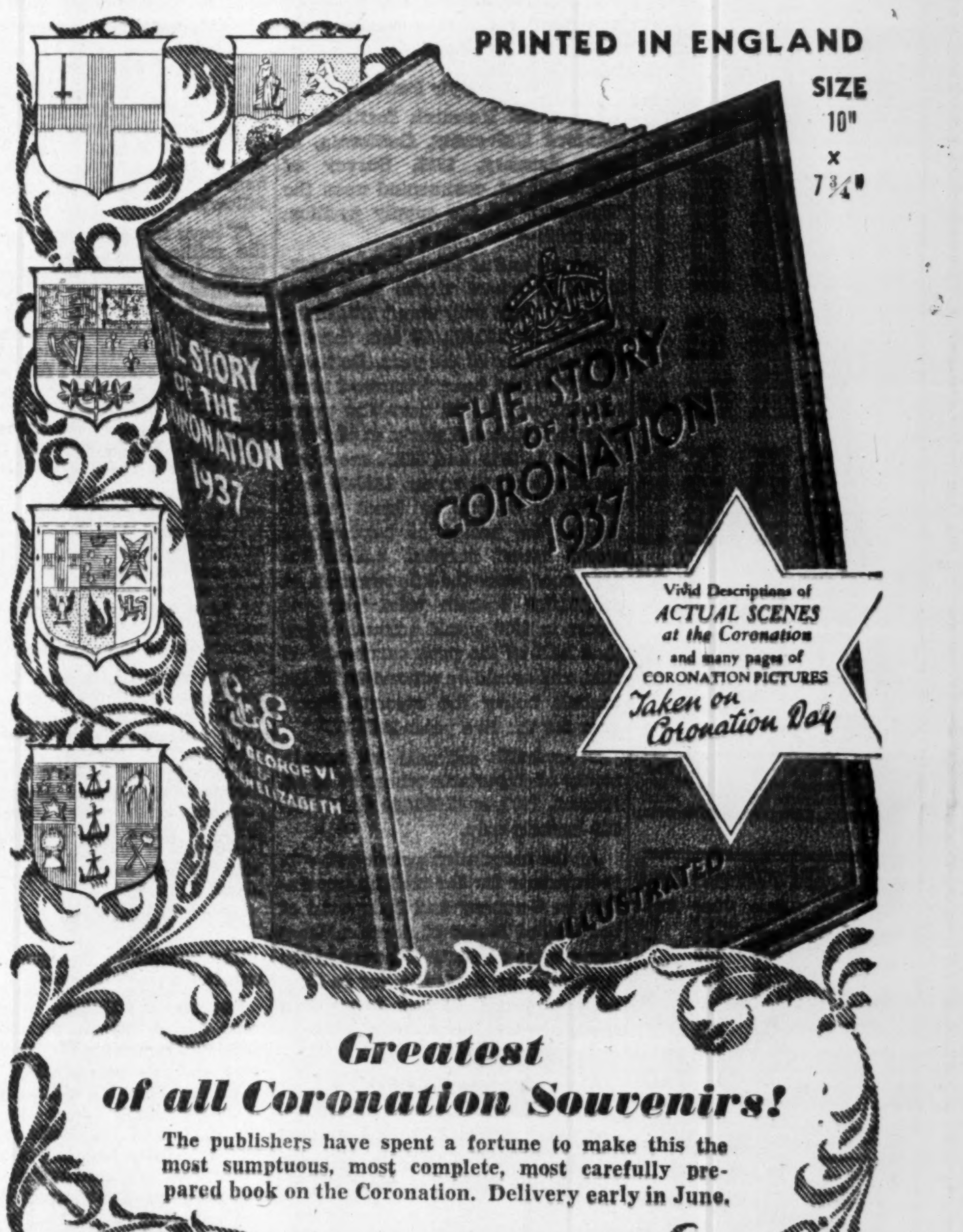
REGINA. — The Saskatchewan Power Commission had a deficit of $24,150 in 1936, the lowest since 1931, when the commission first began to sell power. The total accumulated deficit to the end of 1936 was $313,749.

Total revenue in 1936 was $1,153,049 while operating costs were $672,898, leaving an operating profit of $480,151. After providing for interest on capital advances, depreciation and replacement reserves the net loss was $24,150.

Revenue for the year was up $83,351 or 8%. More power was used in both rural and urban centres, the increase in revenue from rural lines being $39,041.

W. E. & L. S. Meeting Adjourned to May 31

The meeting of bondholders of Windsor, Essex and Lake Shore Electric Railway Association, called for May 3, was adjourned to May 31 due to the lack of a quorum. The meeting has been called for the purpose of appointing a bondholders' committee



ONTARIO

The Treasury Department of the
PROVINCE OF ONTARIO

Announces the Results of the "Pay-As-You-Go Policy" for the Fiscal Year, April 1, 1936 to March 31, 1937

●

Statement of Ordinary Revenue and Expenditure for the Fiscal Year ended March 31, 1937

NET ORDINARY REVENUE

Department		*Amount*
Agriculture		$ 807.65
Attorney-General		1,290,603.33
Education		1,803.92
Game and Fisheries		782,217.63
Health		38,485.95
Highways—		
(*a*) Signs, Pumps, Garages, etc.	$ 298,076.18	
(*b*) Gasoline Tax (less refunds)	15,761,876.97	
(*c*) Motor Vehicles	10,916,491.08	26,976,444.23
Insurance		237,840.86
Labour		7,316.17
Lands and Forests		2,974,907.54
Legislation		6,927.07
Mines		2,110,581.32
Prime Minister		22,632.20
Provincial Secretary		680,750.23
Provincial Treasurer—(including Succession Duties Collected, $15,991,350.80)		45,344,211.91
Public Works		7,283.34
Stationery Account—(Excess of Distribution over Purchases)		5,626.60
		$80,488,439.95

NET ORDINARY EXPENDITURE

Department	*Amount*
Agriculture	$ 1,546,471.94
Attorney-General	2,290,164.08
Education	10,001,950.31
Game and Fisheries	446,131.57
Health	6,128,023.08
Highways	4,931,306.65
Insurance	65,247.87
Labour	270,973.87
Lands and Forests	1,890,019.83
Legislation	270,314.38
Lieutenant-Governor	12,459.73
Mines	319,660.58
Municipal Affairs	63,053.57
Northern Development	1,407,475.63
Prime Minister	153,896.20
Provincial Auditor	112,577.29
Provincial Secretary	863,237.41
Provincial Treasurer	962,164.58
Public Welfare	5,005,388.34
Public Works	565,698.28
Miscellaneous—Including Workmen's Compensation Board—(Payment to Board, $47,458.15)	54,238.58
	$37,360,453.77
Public Debt—Interest, Exchange, etc.	20,543,990.35
	$57,904,444.12
Unemployment Direct Relief and Administration thereof	13,270,057.29
	$71,174,501.41

RECAPITULATION
Ordinary Revenue and Expenditure

Ordinary Net Revenue as above	$80,488,439.95
Ordinary Net Expenditure as above (before providing for Unemployment Direct Relief)	57,904,444.12
Surplus—(before providing for Unemployment Direct Relief)	$22,583,995.83
Less—Unemployment Direct Relief and Administration thereof	13,270,057.29
Surplus for the Fiscal Year ended March 31, 1937	$ 9,313,938.54

THE DEBT POSITION OF THE PROVINCE OF ONTARIO
As at the close of the fiscal year ended March 31, 1937

GROSS DEBT

As at March 31, 1936	$689,558,513.76
As at March 31, 1937	656,460,348.37
Reduction in Gross Debt for the Year	$33,098,165.39

DEBENTURE DEBT (LESS SINKING FUNDS)

As at March 31, 1936	$594,112,954.50
As at March 31, 1937	567,973,130.86
Reduction in Debenture Debt for the Year	$ 26,139,823.64

TREASURY BILLS OUTSTANDING

As at March 31, 1936	$50,000,000.00
As at March 31, 1937	38,000,000.00
Reduction in Treasury Bills for the Year	$12,000,000.00

CERTIFIED TRUE AND CORRECT

Provincial Auditor

In pursuance of a promise made during the Third Session of the Nineteenth Legislature of the Province of Ontario, I take this opportunity of publishing, for the information of the citizens of Ontario, the above financial report, together with this announcement as to the plans of the Government for passing on to the people certain benefits made available by reason of the surplus of $9,313,938.54, realized last year;—

MUNICIPAL DRAINAGE AID AND TILE DRAINAGE DEBENTURES

A reduction in interest on Municipal Drainage Debentures and Tile Drainage Debentures effective April 1, 1937, from 5 per centum to 4 per centum.

PASSENGER MOTOR CAR LICENSE FEES

A substantial reduction in passenger motor car license fees will be announced before October 15 next.

LICENSE FEES ON COMMERCIAL VEHICLES

Effective on November 1, 1937, when the 1938 permits will be available, there will be a reduction of 25 per cent. in the fees to be charged for the registration of all farm trucks and all other commercial motor vehicles and commercial trailers.

The approximate annual saving will be $1,000,000.00 to the operators of commercial vehicles.

PROVINCIAL SUBSIDY

The Provincial Government will pay, by way of a grant, to every city, town, village and township of the Province a sum representing the equivalent of one mill on the dollar of their respective assessments for general municipal purposes. This grant is made unconditionally but in the expectation and with the intent that the amount shall be passed on to the taxpayers of every community by a reduction of one mill in the general municipal tax rate. This subsidy will amount, in the aggregate, to the sum of approximately $3,000,000.

ROAD SUBSIDIES TO TOWNSHIPS

The 313 Townships which have in the past received subsidies of less than 50 per cent. will enjoy an increase to 50 per cent.

The annual benefit to the 313 Townships will be approximately—$300,000.00.

OLD AGE PENSIONS AND MOTHERS' ALLOWANCES

To further take the burden off real estate, the Provincial Government will assume the municipalities' share of Old Age Pensions and Mothers' Allowances.

This will enable the municipal councils to reduce their taxation by approximately $3,500,000.00 per annum.

PENSIONS FOR THE BLIND

The Province will assume the municipalities' share of the cost of this social legislation. It is estimated that the municipalities will therefore save approximately $100,000.00 per annum.

AMUSEMENTS TAX

Effective June 1, 1937, the Amusements Tax will be totally abolished. As over 80 per cent. of the amusements tax is collected from admissions of 25 cents or under, the benefit, largely to citizens of lesser means, will amount to $1,500,000.00 for the year 1937.

Prime Minister and Provincial Treasurer.

Banking

World's Gold Valued In 3 Different Ways

Monetary Expert Analyzes Factors in Confusion Over Relative Worth of Yellow Metal

An ounce of gold is worth $35 but what is a dollar worth in terms of gold?

Contrary to the general belief that there is one value for gold, no fewer than three methods of valuing the metal are in effect throughout the world. Canada values her gold supply at the market price of gold in New York or London, whichever is higher. England values her gold below the world market price. And the United States values gold above the normal market price. Being willing to pay a higher figure the U. S. raises the market price to its figure.

The significance of this situation is discussed by Professor J. P. Day, of McGill University, in the current issue of "The Canadian Chartered Accountant." He finds that the question of the monetary value of gold stocks does not truly arise so long as a country is on the gold standard. In that case gold is money itself, circulated as money after it is minted into coins. The only problem of a government in that case is to determine how many grains should be used for the coin, what design it should take and what name it should bear.

What Is a Sovereign?

An example is the British action in taking 113.0015 grains of gold, adding a small amount of alloy for technical reasons and calling the coin a sovereign. The result was that an ounce of standard gold was the "equivalent" of £3 17s. 10½d. Professor Day qualifies the word "equivalent" by stating that it is not that the two things are equal in value but that they were identical in composition or would be if £3 17s. 10½d. were a mintable coin.

Stated another way Britain used 480 ounces troy to mint 1,869 sovereigns. The important point is not that 840 ounces were worth £1,869 but that they were actually the same thing.

Adopting a different method, the United States chose 23.22 grains and called the coin a dollar. At that rate an ounce of gold was $20.67 or 1,000 ounces of gold were 2,067 gold eagles.

"It is no question of a price of gold but only of choosing a name for a certain amount of gold minted in a certain way," Professor Day explains.

Off the Gold Standard

Once off the gold standard a different situation arises, for a country's paper money is no longer interchangeable with gold at a fixed rate. Interest has changed from considering what a currency is worth in terms of gold to consideration, usually by a government, of what a currency is worth in terms of what their gold stocks are worth in paper money. Professor Day adds:

"Today the idea seems that you can make the value of your gold stocks whatever you like and the problem is what value should you put on them?"

Obviously the most reasonable method at first glance is to value gold stocks on the basis of market value. But what is the market value?

So long as there is a free market for gold bullion in some centre such as London it is a simple matter to take the London gold price and use the ratio of sterling exchange to obtain the corresponding price in other countries. Yet, as Professor Day points out, this does not mean that such a price is that at which the government could sell all its gold if it so desired. Any government tendency to unload gold stocks on a world market would at once depress the price.

Nevertheless Canada uses the market price as a basis for valuing Canadian gold stocks. Canada has not altered the gold content of the dollar. There was in fact less need to bother about that since practically no gold circulates in Canada. Until the mint ceased coining gold in 1919 there was only the equivalent of $4.8 millions struck in gold coin between 1910, when gold coinage was first issued in Canada, and 1919.

Gold Revalued

Canada revalued gold by the Exchange Fund Act of July, 1935, which ordered the Bank of Canada to revalue its gold at the market price of $35 an ounce and transfer the resulting nominal profit to the minister of finance. The chartered banks received a small part of the profit based on appreciation of gold held against liabilities abroad, which they transferred to the Bank of Canada when it started.

Most of the difference between the write-up from $106 millions to $180 millions shown in the Bank of Canada's return for July 10, 1935, was credited to the minister of finance. This became the Exchange Equalization Fund which did not appear in the bank's subsequent returns. It may be used by the minister, in specific ways, to endeavor to control the external value of the Canadian dollar, or to check undue fluctuations in its exchange value.

The Bank of Canada takes the value of its gold stocks from the market price of gold in New York or London from week to week, whichever quotation is higher. If the market falls the bank writes down the amount and recovers it from the special fund; if the market rises the bank pays the difference into the fund. Should the market fall to $20.67 an ounce, and the special fund had not been used, all that would happen is that the fund would gradually be wiped out and the minister would not have what he perhaps thinks he has.

If meanwhile he had been using the fund he might have either a profit or a loss but in neither case would the Bank of Canada be affected.

Wait-and-See Policy

Great Britain has not written up its gold stocks, though the £300 millions in gold in the Bank of England could be written up to £507 the future, prefers to carry its stock at the old price until some form of international settlement takes place.

Meantime the bank is in a much stronger position than the figures indicate. It has an Exchange Equalization Fund but the resources of the latter were supplied by the government. The probability is, according to Professor Day, that the bank will never have to write down its stock below the present figure. It may find itself completely justified, some day, in writing it up to some future stabilized value, the outcome of some more or less remote international settlement.

A vastly different situation presents itself in the case of the United States. Willing to pay a higher than market price, the U. S. in that sense has raised the market price to her own figure. Everyone is familiar with the heavy flow of gold to the U. S. as a result and the effect this had on driving up the price of gold on other markets.

The motive appears to have been to raise commodity prices inside the U. S. and so help industrial activity and employment. But the result was to accumulate half the world's stock of monetary gold in the U. S., to keep the U. S. Government busy burying it at Fort Knox, Ky., and to bring a belated recognition of the futility of the whole scheme.

To abandon the plan is not so simple as the procedure of abandoning the silver buying programme, also a failure. And meanwhile the U. S. is piling up a large reserve of gold and at the same time piling up excess reserves in the banks of the country, thus forming a formidable base for credit expansion and threatening a tremendous inflationary boom.

Possible Remedies

Four possibilities exist among the remedies for the U. S. situation, Professor Day thinks. They are:

(1) To reduce the price of gold.

(2) To maintain the nominal value but to cease buying.

(3) To continue buying all gold offered at the present price but to attempt to neutralize its effect on the volume of money in the country.

(4) To do nothing but wait for the influx of gold to be turned through rising commodity values, the main fear being a runaway commodity market.

Professor Day does not indicate what the actual solution may prove to be but he asks a pertinent question. It is in effect: "If gold falls in price are there any buyers other than the U. S.? If so, what is the best price they would offer?"

And he concludes:

"The Bank of England has more gold than it ever had and much more if the written-up value were taken. The Bank of France has all the gold it needs, provided it can keep what it has. The Bank of the Netherlands has already lowered its price for gold and the Swiss National Bank only buys gold under special agreement. Germany may prefer guns to butter, but one imagines she would prefer butter to gold."

Bank Chat

Profits from Hold-ups

The Skagway branch of the Canadian Bank of Commerce is probably the only branch bank that can boast of making a profit from a hold-up.

It happened in 1898 when one of the more enterprising citizens of the Skagway vicinity entered the newly opened office, produced a stick of dynamite and threatened to blow up the bank and everyone in it unless $20,000 was handed over pronto.

He backed up the demand by producing a revolver, aiming at a bank official and pulling the trigger. The shot missed its target, but the firing of the weapon detonated the dynamite and several other sticks in the bandit's pocket.

The office was wrecked and so was the hold-up man. Vouchers, bills, gold coins, gold dust and furniture were blown into an indistinguishable heap, but the wreckage and the bandit were swept into a neat pile, and the work of sorting commenced. Removing what was left of the hold-up man, the staff collected the gold coins, pieced together the torn bills and panned the remainder through a miniature sluice-box similar to that used in placer mining.

The result was a quarter of an ounce more gold dust than was supposed to have been on hand before the explosion.

* * *

Early Banking Days

Banking in the Canadian west before the turn of the century was no white-collar profession. Sir John Aird was then a young man in the bank's service but he vividly recalls an experience during his stay as manager for the bank's interests in a Minnesota farm, across the Manitoba border.

Says Sir John:

"I recall vividly the nights I spent in a pioneer Minnesota farmhouse on that property, under the rafters on a mattress of cornhusks, with my rest made fitful by an agitation which I found was caused by squirrels which had pre-empted my bed."

* * *

Yes and No

Unlike scrambled eggs, scrambled English can be unscrambled. But it sometimes taxes mental powers of a bank manager to decipher puzzles that arrive in his morning mail. A classic example is the following murderous assault on the King's English received by the manager of a branch bank in B. C. Although badly mangled the remains can still be identified:

"Dear Sir:

"as am been worndering and would like tono if rend has been payed on that accont or not as I am not able to get in for whill yet so would you let me no if it not been or not or I will have to it some other way so will you let no please."

Bank of Canada Weekly Statement

Balance Sheet

	May 7 1937	Apr. 28 1937
Liabilities	$	$
Capital paid-up	10,100,000	10,100,000
Notes in circ.	130,886,778	129,480,292
Rest fund	743,716	743,716
Dep.: Dominion	22,040,909	25,539,373
Banks	197,023,063	197,700,642
Other	1,019,053	912,353
Total deposits	220,083,026	224,152,368
All other liabs.	2,472,126	1,502,402
Total liabs.	364,285,646	365,978,778
Assets		
Reserve: Gold	189,182,511	191,117,190
Silver bullion	2,400,807	2,407,097
Res. in sterling and U. S.	13,388,004	16,145,655
Total reserve	204,971,322	209,669,942
Subsidiary coin	284,304	221,683
Investments:		
Dom. govt. short.	48,199,895	50,241,507
Other Dom. govt.	101,508,356	101,685,867
Total invest.	149,708,251	151,927,374
Premises	454,176	454,176
All other assets	8,867,593	3,705,603
Total assets	364,285,646	365,978,778
Reserve ratio	58.40%	59.29%

Staff Changes

The Bank of Montreal has made the following appointments:

C. KEMP, formerly manager at Canso, to be manager at Mahone Bay, N.S.

A. E. NETTEN, formerly manager at Corner Brook, to be an assistant inspector at Montreal.

W. L. AIKEN, formerly at Toronto, to be manager at Victoria Ave., Hamilton.

The Imperial Bank has made the following changes in staff:

H. D. MORTON, formerly accountant at Yonge and Bloor, Toronto, to be accountant at Montreal branch.

S. B. MERRILL, formerly accountant at 431 Yonge St., Toronto, to be accountant at Yonge and Bloor, Toronto.

F. J. KIRBY, formerly accountant at King and Sherbourne, Toronto, to be accountant at 431 Yonge St., Toronto.

J C. ADAMS, formerly of Toronto branch, to be accountant at King and Sherbourne, Toronto.

F. J. ARTHUR, formerly accountant at Queen and Carlaw, Toronto, to Toronto branch.

S. A. HERON, formerly teller-accountant at Jasper, Alta., to be accountant at Weyburn, Sask.

The Canadian Bank of Commerce has announced the following changes in staff:

F. C. MACDONALD, formerly an inspector at Regina, to be vice-president of the Canadian Bank of Commerce (California).

C. R. DEY, formerly vice-president of the Canadian Bank of Commerce (California), to be manager at Victory Square, Vancouver. He succeeds D. H. GORDON, who has been retired on pension on account of ill health.

The Royal Bank has made the following appointments:

S. L. MURRAY to be accountant at Halifax.

G. J. BAILEY to be manager at Nipigon, Ont.

K. A. CLARKE, formerly of the supervisor's department, Halifax, to be manager at Berwick, N.S.

C E. ROBERTSON to be assistant manager at Nassau, N.P.

J. R. FRIZZLE, formerly at Berwick branch, has retired on pension.

Financial Observer Staff Seeks to Continue Paper

Members of the staff of The Financial Observer of New York, which suspended publication some weeks ago when its financial backer turned out to be H. J. N. Neville, internationally notorious swindler, are still hopeful of reorganizing the enterprise and resuming publication.

In the meantime, arrangements have been made by Harry L. A. Selden, former executive to whom an assignment of assets was made for benefit of creditors, for a public auction on May 17 of furniture, fixtures and other assets.

In a letter to subscribers to the high toned financial-economic magazine, Mr. Selden announces that the editorial and executive staffs have pledged themselves to "retain a working unit intact" while seeking means to continue publication. Should a way be found, he says, the policy, content and style of the magazine will not be changed.

In the event new financial backing is not forthcoming, the publishing company will be legally liquidated and paid subscribers will be classed as general creditors.

Mr. Selden devotes most of his letter to emphasizing that none of the well known editors and executives employed by Neville had the slightest suspicion, until the time of Neville's exposure, that the funds used to launch the Observer had been obtained through operation of a fraudulent "investors' syndicate" in Boston. Any possible suspicion was lulled, it appears, by Neville's insistence on the highest standards for the publication, on refusal of questionable advertising, and on avoidance of any semblance of a "tipster sheet."

Neville's associates were exonerated, says Mr. Selden, both by the New York State Attorney-General and by the confession of Neville, who is still wanted in Toronto on charges arising out of his operations as a swindler in 1927.

Weekly Bank Clearings

	May 6 1937 $	Change Year Ago %	Apr. 29 1937 $
Halifax	2,927,322	—0.8	2,339,334
Saint John	2,986,333	+28.5	1,819,285
Moncton	938,812	+20.6	751,964
Sherbrooke	744,038	+4.3	619.564
Quebec	6,377,515	+12.3	5,414,264
Montreal	140,421,443	—10.9	108,069,213
Ottawa	61,395,435	—14.0	18,804,396
Kingston	708,789	—1.9	487,762
Peterborough	668,419	—9.2	567,042
Toronto	146,256,159	—9.7	130,553,869
Hamilton	6,485,056	+25.9	5,768,042
Kitchener	1,367,770	+8.4	1,065,402
Brantford	1,260,460	+2.6	908,797
London	3,374,220	—14.3	2,436,206
Chatham	567,080	—7.6	504,693
Windsor	3,243,225	—0.9	2,813,809
Sarnia	519,025	—7.7	361,679
Sudbury	1,032,567	+23.6	966,408
Fort William	868,024	—9.6	658,431
Winnipeg	44,765,769	—45.2	37,056,533
Brandon	335,900	—6.0	279,782
Regina	4,995,426	—15.6	4,800,375
Moose Jaw	808,617	+12.9	561,989
Edmonton	4,693,405	+3.8	3,997,025
Calgary	6,205,665	—22.5	5,323,622
Medicine Hat	273,803	+0.1	199,015
Lethbridge	442,392	—11.6	421,894
N. W'minster	706,584	—0.8	691,131
Vancouver	19,836,527	+0.04	18,182,752
Victoria	2,002,562	+0.8	1,610,662

Elected to Montreal Curb

From Our Own Correspondent

MONTREAL. — K. A. Handyside, partner of Pitfield and Co., has been elected a member of the Montreal Curb Market. He entered the security business, after the war, when he became associated with O'Brien and Williams. In 1924 he joined the firm of Mathewson, McLennan and Molson and in 1931 became a partner of Pitfield and Co.

Bank Service Charges Increase "Minor Profits"

When interest rates dropped and bank loan figures were at low ebb a year or so ago, all Canadian banks turned their attention to profit possibilities from those small services which in many cases were being rendered to customers without charge—and at a loss to the bank.

The result was a marked gain in "minor profits" from service charges on accounts that previously represented operating losses. With the return of improved loan business there is no suggestion that banks will relax their efforts to place minor services on an equitable basis to customers and the bank alike. Among those services for which banks are showing an increasing tendency to charge, are holding "N. S. F." cheques for certification at time of presentation, returning old collections, mailing customers' pass books, and producing old vouchers for inspection.

Tactful explanation of the charges for these and other services is having the effect of educating customers to the realization that a bank cannot perform gratuitous services at a loss any more than any commercial organization can do so. If all banking business were conducted on equally unsound principles Canadian banks long ago would have ceased to operate.

It is not difficult to determine whether a customer's account is profitable or otherwise, according to R. A. Wilson, writing in the "Caduceus," staff magazine of The Canadian Bank of Commerce. The average monthly balance of the account is quickly calculated, divided by six to show the value of funds supplied at 2%, the approximate loanable value, and the number of entries multiplied by five reveals the cost of operation.

Foreign Exchange

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

Par	May 3	May 4	May 5	May 6	May 7	May 8
U. S. Dollar, High	.99 31/32	.99 15/16	.99 15/16	.99¾	.99 25/32	.99 25/32
Low	.99 15/16	.99 15/16	.99¾	.99 25/32	.99¾	.99¾
1936 High	1.00 7/32	1.00 1/16	1.00 1/32	1.00 1/16	1.00 1/32	1.00
Low	1.00 3/32	1.00 1/32	1.00	1.00 1/32	1.00	1.00
U. K. pound	4.92⅞	4.92¾	4.92⅝	4.92¾	4.92½	4.92⅝
Australia	3.94¼	3.94⅜	3.94¼	3.94⅜	3.94⅛	3.94¼
Austria	.1871½	.1871½	.1870⅞	.1870⅞	.1870⅞	.1870⅞
Belgium	.1686⅞	.1686⅜	.1685¾	.1685¾	.1685¾	.1685¾
Brazil	.0635	.0637	.0642	.0635	.0635	.0640
Czechoslovakia	.0348½	.0348⅝	.0348¼	.0348¼	.0348¼	.0348¼
Denmark	.2201⅞	.2201⅜	.2201¼	.2201¼	.2200¼	.2199¼
France	.0450¾	.0449¼	.0448¼	.0448	.0448	.0448¼
Germany	.4015½	.4014½	.4013¼	.4013¼	.4013¼	.4013¼
Greece	.0090	.0090	.0090	.0090	.0090	.0090
Holland	.5477¾	.5477¼	.5476	.5476	.5476	.5476
Hungary	.1972¼	.1972¼	.1971⅝	.1971⅝	.1971⅝	.1971⅝
India	.3724	.3726	.3722⅞	.3725⅞	.3725⅛	.3723⅞
Italy	.0525¼	.0525¼	.0525	.0525⅛	.0525	.0525
Japan	.2872⅝	.2874⅝	.2871¾	.2873¾	.2873¾	.2873¾
Jugoslavia	.0233⅜	.0233½	.0233½	.0233½	.0233½	.0233¼
New Zealand	3.97½	3.97⅜	3.97¼	3.97⅜	3.97⅛	3.97¼
Norway	.2478⅜	.2476⅞	.2476½	.2477½	.2476½	.2475½
Poland	.1895	.1895	.1894	.1891	.....	.....
South Africa	4.91⅞	4.91¾	4.91⅝	4.91¾	4.91½	4.91⅝
Sweden	.2542¼	.2541¾	.2541½	.2541½	.2541½	.2540½
Switzerland	.2285¾	.2284¾	.2283	.2283½	.2283½	.2283½
Hong Kong	.3060¼	.3060¼	.3060¼	.3062¼	.3061¼	.3061¼

MONTREAL

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Ontario Govt. Reduces Debt $33 Millions

Reduction is Partly Due to Hydro Repayments

The Ontario Government's financial statement for the year ended March 31, 1937, shows a reduction in gross debt of the province of $33 millions—$26.1 millions in net debenture debt and $12 millions in treasury bills outstanding.

The reduction is largely due to a change in the borrowing policy of the Hydro-Electric Power Commission of Ontario. In the past, the Government very often sold its own bonds to secure funds for Hydro purposes and loaned the proceeds to the commission. Under the policy instituted by the present Government the Hydro is carrying out its own financing and is gradually repaying to the province its advances.

Hydro Repays Loans

During the year ended March 31, 1937, capital repayments by the Hydro Commission to the Ontario Government amounted to $21.1 millions. In the same period the Ontario Government guaranteed $20 millions of new borrowings by the commission. Thus, the reduction in the direct debt of the Government is offset to some extent by an increase in indirect and guaranteed debt. If no capital repayments had been received from the Hydro then the reduction in the gross debt of the province would have been $12 millions and in net debenture debt $5 millions.

Comparative debt figures are given below:

Debt Position

	1937 $	1936 $
Gross debt	656,460,348	689,558,514
Net funded debt	567,973,131	594,112,954
Treasury bills	38,000,000	50,000,000

Final figures show the surplus for the year to be $9.3 millions, an increase of $2 millions over the estimate made by Premier Mitchell Hepburn in his budget in March. This is the largest surplus realized by any Canadian province since Confederation. Comparative figures are given below:

Revenue and Expenses
Years Ended Mar. 31

	1937 $	1936 $
Net ord. revenue	80,488,440	65,726,984
Net ord. exps.	57,904,444	57,256,322
Relief costs	13,270,057	21,813,368
Surplus	9,313,939	*13,342,705

*Deficit.

Massey Sales Showing Gain

Year's Results Depend Largely on Summer Volume

Sales of Massey-Harris Co. in Canada and for export have shown marked improvement since the close of the company's year on Nov. 30, but this encouraging increase in volume does not necessarily indicate the financial results for the full year.

The company has been increasing its inventory, it is understood, with the idea that higher grain prices would bring heavier orders than last year if reasonably good crops are harvested. In this respect the company is in the normal position at this time of year of hoping for reasonably good crop results to create a demand for machines which must necessarily be built beforehand.

Improvement in spring business has been pronounced in tractors partly because of the improved feeling in agriculture due to higher grain prices, partly also because horses have increased in price and have been somewhat scarce.

Later Sales Important

The spring months are the smallest in volume and financial results will depend largely upon volume in the summer and early autumn months.

The company's plant at Batavia, N.Y. was reopened this week after being closed four days by a strike of molders. The Batavia plant is understood to handle about two-thirds of the company's business in the United States. The labor trouble arose through organization by the Amalgamated Association of Iron, Steel and Tin Workers, C.I.O. affiliate union.

Last year, Massey-Harris increased its sales by about 30% and changed the deficit of $1,420,000 in 1935 into a loss of only $58,414 in 1936. The result in 1936 was a loss of 48 cents a share on the preferred and 91 cents a share on the common stock. Provided crop conditions and prices for farm products are favorable, there is a prospect of a profit in 1937.

Pressed Metals Inc. Sales Increase 82%

Sales of Pressed Metals of America, Inc., in the first four months of the current year showed an increase of 82%, The Financial Post is informed. Total sales amounted to $1,386,412. In the same period of 1936 sales totalled $761,571.

Net profit for the period also shows a substantial advance. Profit figures, however, will not be published until the results for the first six months of the year are available.

Imperial Oil Ltd. to Pay Dividend of 62½ Cents

Imperial Oil Ltd. has declared a regular dividend of 25 cents a share and an extra 37½ cents a share, the total of 62½ cents a share being payable June 1 to shareholders of record May 14. This maintains the annual rate of regular and extra payments at $1.25 a share. To holders of bearer share warrants, the dividend is payable on coupon No. 47. On the stock exchanges the shares are not ex-dividend until June 1.

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Important Issues Are Involved In Coming Tariff Surveys

Problems of Auto Industry, Livestock Producers and Users of Fuel Coke Subject of Close Study at Ottawa

From Our Own Correspondent

OTTAWA.—Bound up with a strenuous programme of summer work which the combined Federal Tariff Board and Federal Trade and Industry Commission has ahead of it are important issues for the public of Canada.

These include the likelihood of cheaper motor cars, the possibility of "rationalizing" a sound furniture industry of national importance out of its present chaos; whether the duty on coke is to be removed; and whether the battle which the livestock and dairying interests are putting up, to have a prohibitive duty placed upon vegetable oils in order that animal oils may survive, is to succeed.

In all, it is a varied and important agenda which Chairman Sedgewick and his colleagues face. Perhaps a greater diversity of Canadian interests is potentially affected than at any previous time in the history of either the Tariff Board or the more juvenile Trade and Industry Commission.

Auto Production Costs

The motor car industry and the automobile-buying public will be interested alike in the Board's completion of the unfinished business in connection with the motor car reference of last year. The costs of distribution in the automobile industry are to be investigated closely, with a view to determining whether some means cannot be devised to lower them and pass on the benefit to automobile purchasers.

When the previous hearings in the automobile case were in progress, the Board expressed the opinion that distribution costs were unnecessarily high in Canada, being in excess of United States costs, which were viewed as high in themselves. Consequently, the pending study is being carried out in co-operation with representatives of the wholesale and retail dealer branches of the industry, and of the finance companies as well.

Another path which the Tariff Board will explore in its search for some means by which Canadian automobile prices may be brought into line with those in the United States, is that of freight charges. Certain facts were quoted at hearings last year which impressed the tariff commissioners as being in the nature of anomalies. The rate from Oshawa to Vancouver for motor car shipment, for instance, is less than the rate from Oshawa to Calgary—due to the factor of competition from water shipment operating in the former case.

The Board is anxious to hear the railway companies' justification of some of the features of their rate structure, in the hope, presumably, that some modification of it can be induced for consumers' benefit.

Also sought is the reason why Canadian railways have not adopted the use of what are known as "Evans's Device" cars, although both roads operate them on their United States lines. The Evans's Device car is designed for the shipment of motor cars exclusively and can be loaded to 30 per cent greater capacity than the standard type of car now in use, with consequent reduction in automobile shipping costs.

Furniture Problem

The furniture industry's troubles come before the Board in its dual capacity as a tariff body and the Federal Trade and Industry Commission. When the tariff protection which the furniture manufacturers receive was studied last winter, with the result that Parliament increased the rates of duties, the commissioners drew attention to the chaotic condition of overproduction and disorganization within the industry.

It is this phase of the situation which the Trade and Industry Commission, in collaboration with the manufacturers themselves, propose now to tackle. Particular interest will attach to their efforts, in view of the fact that the furniture industry is the first one of major size and national importance which has presented the Trade and Industry Commission with a rationalization problem to solve.

The task of the Board in such a case is a peculiarly delicate one. It is to advise and approve a degree of co-operation within the industry which shall be in the interests of its employees and of their claims to a decent standard of living, without being unfair to the rights of consumers.

Animal vs. Vegetable

Competing with the automobile enquiries and the furniture survey for interest and importance, is the battle between the vegetable and the animal oils in which the Tariff Board has finally become the referee. The application before the tariff commissioners is for a duty on vegetable oils sufficiently high to enable animal oils to compete with them. The argument is being exploited that vegetable oils are the product of Egyptian and negro labor with which Canadian animals cannot compete.

What makes the reference one of major interest as well as of considerable delicacy is the extent to which politcal agitation has been stirred up around it. The farmer has been given the picture of vegetable oil shortenings replacing lard, and of butter similarly disappearing within a short time in the face of similar competition.

It seems that a substitute for butter which cannot be told from the genuine milk product can be manufactured from vegetable oils at a fraction the cost, and can be made even more healthful by the artificial addition of important vitamines. The prospect is one which has the dairymen of the country seriously alarmed, and the case promises to be one of the most bitterly contested in the whole history of the Tariff Board.

In the Price Spreads Investigation of two years ago, evidence showed that Canada Packers earned one half of its profits from vegetable oils. That fact has been widely publicized in connection with the pending investigation, as indicating the greater value which animals would have if the competition of the vegetable oil with the animal oil byproducts could be eliminated.

Coke Enquiry

In comparison with the other three subjects of enquiry, the coke case which is to come before the commissioners is relatively simple and straightforward. It is an application from consumers in the Windsor district to have the duty removed on the fuel coke. At the present time coke is protected to the extent of one dollar per ton, and a coke plant can secure a 50% drawback of the duty which it pays for United States coal for coking purposes—or a drawback of 99% if it uses 35% of Canadian coal in its operations.

So far only one large coking plant in Montreal has been able to take advantage of the 99% drawback, as it is not practical to bring Maritimes coal into Ontario for coking purposes, the freight charge being prohibitive. The indication is, nevertheless, that major opposition will be offered by the Maritimes to any proposal to make coke duty free.

What's What in Advertising

by JOHN R. STONE

Verley Products Corp., Chicago, Ill., has appointed The Benison Co., Toronto, to handle advertising in Canada of Valen-ju, an orange drink sold only in the United States up to this time. Valen-ju will now be manufactured in Canada and marketed through dairies. The Benison Co. is planning a national campaign commencing in trade papers, to be followed by consumer copy in newspapers.

* * *

Two affiliated companies, Standard Sanitary Manufacturing Co. and Dominion Boiler and Radiator Co., will commence an advertising campaign early this month to run in metropolitan daily newspapers in Ontario. Copy will feature modernization of bathrooms and heating systems and stress the advantages of favorable terms of payment provided by the Home Improvement Plan. The campaign is being directed by The James Fisher Co., Toronto.

* * *

H. R. Madill & Company, Toronto, announce release of new campaign on Wilkinson razors and Wilkinson hollow ground blades. The manufacturers, Wilkinson Sword Co. of London, England, have been swordmakers to British Royalty for 175 years. The appropriation has been slightly increased this year and will include space in magazines and newspapers across the country. Vickers and Benson, Ltd., Toronto, are handling the displays.

* * *

The Toronto office of Ronalds Advertising Agency is releasing space instructions on a special spring campaign for Hudson Motors of Canada, Limited, Tilbury, Ont. Special sweepstakes for salesmen will tie in with the consumer copy, which is appearing in financial papers, newspapers and magazines. Farm papers have also been added to the list for this special campaign.

* * *

The Sparton Anti-Frost Clock will be featured in the advertising of Sparton electric refrigerators which will appear in a number of daily newspapers in the larger cities. This clock automatically regulates the defrosting of the refrigerator. The campaign will be directed by The James Fisher Co., Toronto.

St. Lawrence Starch Co., Port Credit, Ont., has commenced a timely advertising campaign of Bee Hive Golden Corn Syrup and Durham Corn Starch. Advertisements will appear weekly for one year in serial form, illustrating England's rulers from the time of Alfred The Great to King George VI, giving a brief history of each. An attractive color picture of the Royal Family will be given away upon presentation of one label from the package of each of these products. McConnell, Baxter & Eastman, Ltd., Toronto, is handling this advertising.

* * *

Baker Advertising Agency Ltd., Toronto, is releasing a new campaign for Pease Foundry Co. Ltd., which represents a substantial increase over the 1936 campaign. The advertising features Pease plumbing, heating and air-conditioning equipment and is planned to tie in with Home Improvement Plan. Advertisements will appear in daily and weekly newspapers.

* * *

R. E. Gourlay has been appointed advertising manager of Drug Merchandising, published by The MacLean Publishing Co. Ltd., Toronto. Mr. Gourlay has been associated with this paper for some time, most recently as eastern representative in the Montreal office. Previous to that time he was with The MacLean Publishing Co. in Toronto and New York.

* * *

The appointment of Fred Bertram of Toronto as advertising manager of Canada Steamship Lines has been announced. Mr. Bertram is a former member of The Mail & Empire editorial staff in Toronto. Previously, he served the Grand Trunk-Canadian National Railways in the Middle Western States, as publicity representative, and was employed by Campbell-Ewald, Ltd., Toronto, before that firm became the MacLaren Advertising company.

Chartered Trust Officer

Appointment of D. P. MacDougall, B.A., as a trusts and estates officer has been announced by the Chartered Trust and Executor Co., Toronto. Mr. MacDougall was formerly associated with the Toronto legal firm of Bowlby, Macdonald & MacDougall.

Quebec Passes Railway Bills

Quebec Committee Approves of Mining Area Extensions

From Our Own Correspondent

QUEBEC. — Speedy action has been taken by the railways committee of Quebec's Legislative Council on two railway bills, of vital importance to Montreal and Temiscamingue.

The bills in question are those of the Chemin de Fer du Nord-Est Quebecois (Quebec Goldfields Transportation Company), and the Temiscamingue and Abitibi Railway. In the first case a railway line running from Mont Laurier and Maniwaki to Amos, via the Val d'Or gold region, is sought; the Temiscamingue and Abitibi (a C.P.R. subsidiary) seeks construction of a branch line from Angliers to Rouyn, and a line paralleling that of the C.N.R. from Rouyn to Senneterre.

Vigorous opposition on the part of the Canadian National in both cases was passed over by the Legislative Council committee. Now the two bills only have to come before Quebec's Senate for third reading and adoption, after which they will be ready for Royal sanction and the charters granted the two lines.

The Canadian National opposition was based on the argument that the C.N.R. first penetrated the territory, and in consequence, had priority. Representatives of the Government railway stressed the point that, since the Noranda mine was opened up, the Canadian Pacific had refused to extend its lines beyond Angliers, thereby "renouncing its opportunity" of contributing toward the initial development of this rich territory.

Canadian National representatives estimated the first year's loss to ratepayers of the Abitibi region as $1,000,000, which would be increased to $3,000,000 per year within the next five years.

Holiday With Pay

Noranda Mines and subsidiary companies, granted all employees a full holiday for Coronation Day with full pay, and double pay for those working in order to keep the plants in operating condition.

Protest Action Of Japanese

B. C. Salmon Packers Say Bluff Stopped British Protection

From Our Own Correspondent

VANCOUVER.—Salmon packers of British Columbia claim that they know now why Britain shied away from giving them a specific duty arrangement instead of a 10% ad valorem when the Empire trade agreements were revised recently.

Representatives of the salmon industry had carried on a careful campaign for many months and had been assured of the support of several important British interests, such as the tinplate manufacturers. Then at the eleventh hour this support evaporated. It is now claimed that Japanese packing interests had promised to buy more tinplate from Britain. The Japanese, it is alleged, did not place additional orders. Instead, they were establishing a tinplate industry of their own. In other words they claim that Britain was bluffed into refusing additional protection to the Canadian industry.

Japanese continue to be the major competitors of British Columbia salmon packers. They intend to carry on their fishing outside the three-mile limit off the west coast during the present season, in spite of protests that such operations, if extensive, would be seriously detrimental to the salmon run in British Columbia, Alaska and Washington and Oregon waters.

Exports Down

Richard Bell-Irving, chairman of the salmon canners' section of the Canadian Manufacturers' Association here, says that British Columbia's salmon exports to the United Kingdom have shrunk seriously as a result of Japanese competition. The Japanese export practically 90% of their pack and for that reason are a far more serious contender than the United States, whose domestic consumption accounts for 92% of its pack.

Costs of production have increased in the fishing industry as in others. There are more boats engaged and costlier equipment, but the catches are no greater. Some packers claim there are too many fishermen for the fish available.

Regardless of these conditions, the packing outlook here shows improvement. Confidence in restoration of the Fraser River is expressed as a result of the conservation measures planned by the internattional joint commission. B. C. Packers, Ltd., biggest single corporation in the fishing industry, definitely turned the corner last year and President H. R. MacMillan looks forward to a gradual recovery.

New Books

Common Stocks for Trusts

THE PURCHASE OF COMMON STOCKS AS TRUST INVESTMENTS. By C. Alison Scully. Published by The Macmillan Company, New York. Price $1.

This little volume, only 82 pages including bibliography and index, makes a strong case for justification of purchase of common stocks as trust investments. Nearly half the book is devoted to discussion of the peculiar value of common stocks under inflationary conditions. Included in the discussion of common stocks at a time of inflation is information on how larger American trust funds have added common stocks to their fixed income investments.

The book is concerned chiefly with the purchase of common stocks as an investment for trust funds, rather than the retention of shares which may already be held. The author also points out that nothing in the book should be construed as a suggestion that a trust fund should be wholly invested in common shares. Mr. Scully, who was formerly a Philadelphia lawyer, has been in charge of the trust department of the Bank of Manhattan Co., New York, since 1929.

Summary of Conclusions

While Mr. Scully's conclusions may be affected by different legal standards in Canada than in the United States, they are of interest to almost every investor, as well as to trustees. What are the tests of business judgment, Mr. Scully asks, which are to be applied in determining whether or not common stocks are a suitable investment? His answers are summarized as follows:

1. They must be bought at a time when those best qualified to judge such matters considered common stocks a satisfactory and prudent investment medium.
2. They must be bought after investigation and with discrimination.
3. They must offer as high a degree of stability as possible, in businesses in fundamental industries with a record of earnings.
4. They must be obtainable at prices justified by the asset position of the company and the reasonable business prospects; not on the basis of day-to-day, or week-to-week minor swings in market prices, but on the basis of fair and reasonable prices over a period of time.
5. The capital structure and financial condition of the company should be satisfactory, without large debt ahead of the stock.
6. The management must be capable and relations between officials reasonably harmonious.

Scrutiny Necessary

7. When placed in the portfolio of a trust, common stocks must be watched and reviewed with frequent regularity.
8. The proportion of the fund to be invested in common stocks, and the proportion in individual stocks, must find support and justification in the conservative investment opinion of the day.
9. The income currently available or in reasonable prospect must be appropriate to the purpose of the particular trust.
10. Trustees with limited financial experience should not undertake to act on their own judgment alone and should limit purchases to a small list of the seasoned companies.
11. The justification of the trustee in buying common stocks must be found in his own belief, fortified by conservative investment opinion of the day, that in so doing he is conserving the principal of the fund.

Ontario Industry

Some 10,266 manufacturing establishments operated in Ontario in 1935, according to a federal report. These employed an annual average of 281,438 persons at $303,807,207 in salaries and wages.

Cotton Imports Volume Reflects Greater Demand

From Our Own Correspondent

MONTREAL.—Cotton imports into Canada during the first quarter of the year showed an increase of 19% over that reported for the same period a year ago. Total purchases amounted to 9.3 million pounds, compared with 7.8 millions pounds in the first quarter of 1936.

In the period the widest increases were shown in importation of piece goods, purchases from the United States rising by 60% of 2.2 million pounds, those from the United Kingdom by 6.3% to 3.5 million pounds.

Foreign Trade

Weekly foreign trade news summarized by Commerce Reports, Washington, to May 8.

Argentina—Stimulated by heavy exports at high prices, and a firm commercial position, business activities strengthened during April.

Brazil—Manufacturing industries were at high production levels in April, and an accelerated turnover occurred in wholesale and retail trades in Rio de Janeiro and Sao Paulo.

Paraguay—Fall crops have begun to move, and winter buying has activated retail business.

Guatemala—Trade conditions remain generally satisfactory, although coffee shipments have declined sharply.

El Salvador—The coffee market has lost some of its previous activity, following a price decline, but customs revenues gain, and credits and collections are good.

Honduras—A slight upturn in sales has developed in the capital area, and while trade conditions remain unsatisfactory in the north coast regions, banana shipments have increased.

Cuba—Activity in the commodity markets declined somewhat in April, although the condition was not uniform, some firms reporting an exceptionally heavy volume.

Dominican Republic — Optimism prevailed during April, with trade conditions favorable, but domestic collections are reported as slow.

Jamaica—Seasonal factors have brought about a slight decrease in commercial activity; nevertheless, the outlook is promising.

British West Indies—The import movement is being well maintained in Trinidad. Declining prices of principal export products have reduced the rate of activity in Grenada.

Uruguay—Disposal of large wool clip has brightened the commercial situation.

Chile—Wholesale and retail trade is running at satisfactory levels, and the agricultural outlook has improved.

Peru — Increased income has expanded the volume of domestic manufacturing and stimulated imports.

Bolivia—Despite March increase in tin exports and continued activity in wholesaling and retailing, the business situation is not encouraging.

Ecuador—Decline in world cacao prices is retarding business improvement, and the import trade remains hampered by control system.

Colombia — Several unfavorable factors developed during the month to prevent the orderly progress of trade.

Mexico — The heavy industries operated in general at capacity levels in April, sustained by large volume of public and private construction.

Panama—Merchants anticipate a good summer tourist trade, in view of heavy bookings for steamship accommodations.

Costa Rica — Export volume and value increase, providing broader base for local industry.

Haiti — Season of slack activity has been hastened by small coffee crop.

Martinique—Improved prices for rum and sugar have bolstered the island's economic situation.

Japan — Foreign-trade activity in early April was far above the corresponding 1936 level; a recently completed study indicates that industrial productive capacity in 1936 was 61% greater than in 1930.

India — Manufacturing and trading, which were already very satisfactory, were stimulated during March by excellent demand.

China — Plans for railway construction are being expanded and new cotton mills are projected.

France — Some benefit has been derived from the relaxation of financial tension, but relief expenditures will probably remain burdensome as unemployment is still high.

Italy—The favorable tourist season and improvement in exports has tended to stimulate business.

Egypt — The high value of cotton exports has contributed to favorable showing in foreign trade this year.

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Week in Mining

Base Metal Shares Overtake the Golds

Divergent Trends in Averages for Mining Shares Indicate Contrast in Economics of Metals

Over the brief period of a week or two weeks, or even over a month, it is often difficult to discern clearly a general trend of prices for mining shares.

Looking at the changes over a year, the broad trend, if any, should be more apparent. Compared with a year ago, Toronto Stock Exchange indices show:

1. A net decline in price for senior gold shares.

2. A net increase in value for "miscellaneous mines" shares, mostly those of base metal mines.

Since the market place is admittedly influenced chiefly by dollars and cents consideration in determining values, it may be profitable to enquire into the why of these conflicting trends.

It is true, of course, that gold shares have recently been subjected to an unusual buffeting largely because of the unsubstantiated rumors of a reduction in the price of gold. Even allowing for that, however, the average of prices for gold shares has had a smaller gain than that for base metal mines. We must look farther for the explanation.

Divergent Trends

The divergent trends in mining shares is apparent in a comparison of the net changes in the averages as follows:

Gold and Base Metal Shares
Toronto Stock Exchange Averages

	20 Golds	20 Misc. Mines
Recent level	127	161
Apr. 7, 1937	148	187
Loss in Month:		
Points	21	26
%	14.2	13.9
May 7, 1936	133	129
Change in Year:		
Points	—6	+32
%	—4.5	+24.8

It will be noted first, that the decline of prices over the past month has been similar for both golds and the "miscellaneous" base metal shares on a percentage basis.

Secondly, the outstanding difference is apparent; the much greater relative strength in shares of the base metal mines. This is evident even if comparison be made between the price averages before the recent decline with those in May, 1936.

* * *

Economics of Metals

The answer to this divergent trend lies in the economics of gold and the economics of base metals, between which a great gulf is fixed.

Gold is chiefly a monetary metal, and the history of a thousand years is that its price is relatively stable, although tending to rise. The advance of the price to $35 an ounce was one of staggering proportions and is not likely to be duplicated in a short time. It may be, therefore, that the greatest benefit of the rise in price has already been reflected in well established gold shares. At least the market indicates that it is not expecting another such melon.

As for base metals, prices are always fluctuating. Recent firmer prices, notwithstanding set-backs, reflect the growth of industrial activity with the recovery of business from the depression. In view of the back-log of demands for metals in all sorts of uses, created by the postponement of repairs and reconstruction in the depression, there is good reason to believe that demand for base metals will continue at a high level. Hence the net gain in the base metal prices accounting for the strength of shares of the "miscellaneous mines."

* * *

Hollinger's Record

Holders of Hollinger shares must have rubbed their eyes at the recent misstatement in the Toronto Globe & Mail that Lake Shore is second in North America only to the Homestake mine in the United States in the matter of total dividends paid. Great as is the record of the wonder gold mine, Lake Shore, it is surpassed by that of Hollinger, the daddy of big Canadian gold producers.

Up to the end of 1936, Hollinger had paid $82,830,400 in dividends. The first payments were in 1912, in which year dividends totalled $270,000. And thereby hangs a tale. Construction of the Temiskaming & Northern Ontario Railway in 1903 led to the discovery of Cobalt's silver sidewalk, but it was not until 1909 that prospectors far west of the railway's right of way uncovered the wealthy gold mines of the Porcupine area including the Hollinger.

The T. & N. O. was built by the Ontario Government and is probably the best paying railway in Canada today. But its success cannot be attributed to the genius of our governing forebears. The idea in constructing the road was to settle the farm lands around Lake Temiskaming. The result was to develop the mines.

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News Concentrates

Mylamaque Gold will centre its diamond drilling operations around an intrusive diorite formation. As both Lamaque and Sigma Mines find their ore bodies at the contact between the intrusive diorite and the volcanic rocks, Mylamaque's management believes that interesting drill intersections will be obtained in this section of the property. Further surface exploration is proceeding on the diorite formation on the Potter claims, where previous work returned an assay of $14.70 per ton. A geological examination of this claim will be carried out shortly.

* * *

Century Mining Corp.—Reports that the 3-compartment shaft at its West Shore property in Manitoba is down 75 ft. Shaft is being timbered and permanent head frame prepared. The second Diesel air compressor has arrived at the property and is being installed. Present operations will be enlarged with the increase in air supply.

* * *

Gurney Gold Mines—Reports that work on its 500- and 625-ft. levels is continuing to prove geological and structural conditions similar to those of the upper levels. Construction of a 125-ton mill is under way.

* * *

Oliver Severn Gold—Proposes to continue its prospecting and exploratory efforts during 1937, according to the company's report for the year ending Dec. 31, 1936. Late last year the company bought a 920-acre group of claims adjoining the O'Sullivan group near Kenora. These will receive further attention. A block of 18 claims was staked adjoining the Errington discovery in the northeast corner of Rowan Lake. Oliver Severn also holds a third interest in a prospecting expedition organized by Carl Springer Co. to explore in the Gordon Lake district, N.W.T.

* * *

Silver Production—Amounted to 1,322,833 oz. in Canada during February, as compared with 1,390,476 oz. in January and 1,259,039 oz. in February, 1936, according to figures just released by the Dominion Bureau of Statistics at Ottawa. Output for the first two months of 1937 represented an advance of 10.8% over the production in the corresponding period of 1936.

* * *

Gold Production—For the two months ending Feb., 1937, totalled 638,619 fine oz. in Canada, as compared with 543,976 oz. in the corresponding period of last year, the Dominion Bureau of Statistics reports. Figures are subject to revision.

* * *

B. R. Amalgamated Gold has made a first payment to Hargal Oils under an agreement whereby B. R. Amalgamated takes over the mortgage held by Hargal on the property and mining equipment of Butte I. X. L. Gold Mines, Bridge River. The deal calls for a minimum payment of $1,000 per month to Hargal. Mortgage was carried on Hargal books at $24,055.

* * *

East Malartic Mines in diamond drill hole No. 55 showed values of $4 per ton over width of 40 feet, while No. 53 hole returned $11.85 across 58 feet. New ore body is now reported to be 700 feet long, with an average width of 45 feet and average grade of $10.

* * *

Federal Gold Mines now has under examination a property four miles from Beattie Gold in Quebec. C. P. Riel reports that this is one of three Quebec properties optioned for Federal, and that a geologist's report on the properties will be made public shortly.

* * *

Glenora Gold has some 22 men now doing underground work at the property. Cash position is said to be sufficient to carry present operations well into the future. Following an agreement negotiated between Glenora and Toburn, drifting is proceeding on the 300-foot level from Toburn ground into the Glenora property. On the 450-foot level drifting is being done on the north vein, going westward toward the Toburn boundary, with several hundred feet still to go.

* * *

Gold Belt Mines reports good widths and values in 20 feet from 576 to 596 feet in the "8,000" vein. The ore shoots aggregate about 480 feet in this vein to date, with ore still in the face at 612 feet from the crosscut.

* * *

Minto Gold has started drifting both ways on a 5-foot mineralized zone cut by a low-level crosscut. Minto's April output was not as good as that in March owing to lower heads, but officials state that the grade of ore now going to the mill is now showing some improvement. They report that April output about covered expenses.

* * *

Cariboo Gold Quartz, though its mill operated only 47.6% of possible time owing to the changing of ball mill liners, maintained production in April close to the new high record established in March. April output was 2,624 fine oz. of gold, valued at $91,840, from milling of 6,378 tons.

* * *

Central Patricia Gold reached the second highest monthly figure in its history in achieving April production of $115,045. March output, $115,360, was the only one to surpass the April figure. During April Central Patricia treated 6,568 tons of ore, from which 3,287 oz. of gold were recovered, average grade being $17.52. In March the mill treated 6,054 tons for a recovery of 3,296 oz., average recovery being $19.06 per ton.

* * *

Island Mountain Gold produced during April 1,535 oz. from $3,851 tons milled, best monthly output since June last. Value of April output was $53,725 compared with $49,770 in March.

* * *

Pioneer Gold reports operating profit for April, before depreciation, depletion and taxes, of $96,000. Expenses were $79,000. April production was $175,000. March production was $185,000, expenses $78,000, and operating profit $107,000, before deductions. For the first four months of the year production was $701,000, expenses $303,000 and operating profit, excluding deductions, $398,000.

* * *

Obalski Mining Corp. reports from its Cache Bay property in Quebec that diamond drill holes No. 17 and 18 have cut "D" vein about 200 feet down, showing good structure. Hole No. 17 showed 6 feet 4 inches of vein containing an 18-inch section in quartz assaying $19.60 in gold. Hole No. 18 cut the vein 115 feet down and is being continued to intersect "C" vein at greater depth. On "D" vein 4 feet 9 inches of vein structure was encountered, including 10 inches of quartz assaying $28 in gold.

New Officers Run Hedley

Carry on as Former President Sought by Police

TWO MEN ARRESTED

From Our Own Correspondent

VANCOUVER. — Determined to continue operations of Hedley Amalgamated Gold Mines, despite the startling results of the Provincial Government investigation, directors of the company have reorganized with J. Y. McCarter as president; Frank Parsons, vice-president; and R. H. Stewart, consulting engineer.

William Cox, mine superintendent, and Jack Fraser, foreman of Hedley Amalgamated, have been arrested by British Columbia provincial police and Vancouver police are seeking Barker, the former president. All three face charges of conspiracy to defraud. Barker reportedly left his Vancouver home a month ago.

Premier T. D. Pattullo has announced that it was clear that drill cores from Hedley Amalgamated Gold Mines had been salted.

New Consultant

The company's new consulting engineer, Mr. Stewart, was in charge of the engineering investigation of the mine for the Government, reporting through G. L. Fraser on the "salting" phases of the enquiry. He is thoroughly familiar with the Hedley area, being managing director of Hedley Mascot and Hedley Shamrock.

The company has about $160,000 in the treasury, is prepared to go ahead with a modest development programme, and will base its policy largely in accordance with conditions brought out in the investigator's report.

Russell E. Barker, former president of the company, was ousted last month. P. W. Racey, consulting engineer, resigned.

Government Plans

Premier Pattullo has forecast action at the next session of the legislature to strengthen the Securities Act. He said:

"Plain crookedness will occur from time to time, but it is our intention to make nefarious practices as difficult as possible. I do not think that the Securities Act should be so administered as to frighten away legitimate capital. On the contrary it should be a factor in assuring capital of favorable opportunity for investment.

"If legislation is needed to make the stock exchanges function more effectively, we will not hesitate to pass it; but the exchange performs a very useful function, and it is very anxious that public confidence in its operations shall be unimpaired."

Siberian Placer Gold Explains Big Output From Soviet Russia

Russia's Production May Soon Threaten South Africa's Position as Leading Producer

By WILFRID SANDERS

It does not take a trained economist to discern that in the present blurred world picture of gold, Soviet Russia looms as a fairly tangible part of the background.

Confounding sceptics, Russian gold production has grown with breath-taking rapidity in the past three of four years. In 1936, that country contributed over seven million ounces, thereby making her by long odds second largest gold producing country in the world, and bringing her within striking distance of South Africa's 11.3 million ounces.

All this growth, which has brought Russia from a negligible production in 1930 to more than double Canada's production, has been a complementary factor in bringing about the present gold problem.

The United States administration may find plausible excuses for buying British gold at $35 per ounce. But how long can it justify to American voters the virtual subsidizing of the Communist régime by continued purchase of Russia's apparently increasing gold flow?

Capacity to Produce

An important answer to this question may lie in Russia's ability to maintain the expansion of her gold industry or even keep up the present rate of production, over a period of years.

In reviewing the physical side of Russia's gold industry, it is well to remember that what she has accomplished to date by way of increased production has been accomplished in a terrific hurry, against many obstacles. It is also necessary to remember that even today, authentic information as to the industry is extremely difficult to obtain. A few authorities are even inclined to discount the U.S.S.R. current production figures.

It is, however, fairly well known that the majority of Russia's gold is from placer operations. The great new placer field, from which much of her increased production comes, is situated in the southeastern section of Siberia, in the vicinity of Lake Baikal.

Placer mining, the extraction of gold from surface gravels and sands without recourse to underground lode mining, has always lent itself to short, intense periods of production. Placer deposits can be brought into production rapidly and with little initial cost. Thus California in the 10-year period 1848-1858 was able to produce an average of 2¾ million ounces per year, at a time when food was not plentiful, wages were high, transportation difficult, and the producing area limited. Production was large, but short lived.

Turned to Siberia

Revolutionary Russia, as everyone knows, needed her gold, and needed it immediately, if the foreign credit structure was to be built up. Thus the U.S.S.R. has turned to the placer deposits of Siberia, deposits which had been known for years, but which, prior to the last five years, had never been intensively developed.

Lode mining lends itself to less spectacular, but more stable production, has been tried in Russia, and is still being carried out, notably at Bogom-Darovanni near the Abakan River. The Soviet régime has not, on the whole, met with success in underground mining as yet.

One reason may be that while the medical profession in Russia co-operated and worked well under state control, the engineering profession, particularly mining engineering, was less co-operative, perhaps because of the very individualistic nature of the mining industry. In any event, Russia appears to have been unable to train engineers, and was dependent largely on English and American engineers.

New Railway Line

In the latter part of 1936, a branch line off the Trans-Siberian Railway was completed around Lake Baikal, leaving the Trans-Siberian at Taishat, 400 miles west of Irkutsk, swinging around a 1,400-mile semicircle, and joining the Trans-Siberian line again at Khabarovsk.

Completion of this line will greatly facilitate development of the vast placer deposits of this region. Simultaneously, better success has been met in steam dredging during the winter months, steam being used now to thaw the frozen ground.

Mining, of course, is a state enterprise in Russia. Recently, in conjunction with demands from directors of the industry for higher and still higher production, has come a policy of paying higher wages to the workers, and improving their living conditions. A new system of piecework for workers has been instituted by which capitalistic process wages depend on personal initiative—more gold produced, more roubles paid. Employees work for wages.

In some of the older sections, "peasant mining" is still carried on in a small way. This is a survival of the primitive method, under which peasants, for generations, have worked by crude methods placer deposits near their farms. There is no peasant mining in the newer fields.

No Taxes to Pay

Russian gold mines have no taxes. The workers are working for the state and not for the shareholders.

Great areas in these deposits remain even today unsurveyed and but little explored. It is therefore possible that even confining her efforts largely to placer mining, Russia may be able to continue for some years her present expansion as a gold producer.

Ultimately, Russia's place in the mining sun will depend on her ability to put lode mining on a productive basis comparable with the manner in which she has her placer mining. If she is unable to do that, her long-term ranking as a gold producer appears doubtful.

Current Chatter From B. C.

From Our Own Correspondent

Production at Bralorne Mines in April was the highest so far this year in value—$226,835, from 13,998 tons with recovery of 6,481 fine ounces. This figure compares with $221,445 in March, $205,100 in February and $221,970 in January. Highest previous month was October, 1936, when value was rated at $229,355.

Managing Director R. Bosustow says that the Bralorne outlook is better than ever and that ore reserves are greater than at any previous period in the mine's history.

* * *

Wayside

Until such time as a plan for financial reorganization has been approved, shares of Wayside Consolidated Gold Mines have been delisted from the Toronto and Vancouver exchanges.

* * *

Gold Belt Mining

President A. E. Jukes, of Gold Belt Mining Co., in the Sheep Creek area, reports that North American Mines, of Boston, has agreed to give further financial support to this property and shareholders will be asked on May 21 to increase the share capital by one million shares, giving the company a total of 3 million shares. The additional will be taken under option by North American which will then have placed a total of $427,000 in Gold Belt.

* * *

Sheep Creek

Although a large proportion of low-grade development ore was handled during the month, Sheep Creek Mines had a March production of $35,031 value, according to President R. W. Bruhn. Drifting is proceeding on the Bruhn vein at the 1,800 level.

Wingold Mine Officers Study Financing Plan

From Our Own Correspondent

WINNIPEG. — More than 10,000 feet of drilling has been done by Wingold Mines, Ltd., during the past year, Alex Boyd, vice-president, will tell shareholders at the annual meeting of the company in Winnipeg May 19.

Mr. Boyd's report also says:

"Your directors have under consideration the necessity for procuring additional finances to carry on developments recommended by our engineer, but negotiations have not yet reached the stage where definite plans can be made."

The balance sheet shows current assets of $3,668 against current liabilities of $768. For assessment and development work $109,690 has been spent. Of the 3,000,000 authorized share capital, 2,243,702 shares have been issued for cash or work at $281,143.

Mining properties, comprising 17 claims held under lease and three additional claims recently staked, are shown at $126,775.

Promising Strike At Cariboo Mine

Encouraging Assays Are Reported in Vancouver

From Our Own Correspondent

VANCOUVER.—Cariboo Hudson Gold Mines, being developed under Fred M. Wells, who established the Cariboo Gold Quartz property, is in a particularly promising position, Mr. Wells reports.

Ore running to an average value of 1.5 ounces gold to the ton has recently been struck, and of seven assays made all but one averaged higher than $21.78. The one exception was $9.04. Highest figure was $137 a ton.

Special significance is given to the strike inasmuch as it is located 20 miles along the mineral zone from Cariboo Gold Quartz, indicating important possibilities in the intervening area.

SEC Claims Naybob Gold Statement Misleading

United States Securities & Exchange Commission has announced a hearing on May 14 regarding a registration statement filed April 13, 1937, by Naybob Gold Mines, Ltd., Toronto.

The Commission says it finds the registration statement includes incorrect statements of material facts and omissions of material facts. It also finds that "consents of certain experts" required by the U. S. Securities Act have not been furnished and that certain general rules and regulations of the Commission have not been observed. Interested parties may appear at the hearing.

R. J. Naylor and R. N. Clarke, both of Rochester, N.Y., are president and vice-president respectively of the company. Other directors are H. J. Haddleton, G. E. Beggs, J. G. Jones and S. J. LePard, Rochester; Joseph Montgomery, Toronto.

President's Explanation

R. H. Naylor, president of Naybob Gold, informs The Financial Post that, under new regulations of the Securities and Exchange Commssion, the prescribed period of 13 months had been exceeded between the time Naybob filed its original registration statement and the time of filing a supplemental statement giving additional information required was filed.

Naybob had filed its supplemental statement in place of a complete new registration, leaving in the original statement blanks which were filled in its second one, Mr. Naylor explained. The S.E.C. requires that the original statement be revised and brought up to date, so that the one document contains all necessary particulars.

Coulson Consolidated Revises Option Detail

From Our Own Correspondent

MONTREAL. — Coulson Consolidated Gold Mines has notified the Montreal Curb Market that the option agreement has been revised to read as follows:

77,500 shares at	15 cents each
100,000 shares at	16⅞ cents each
100,000 shares at	18¾ cents each
100,000 shares at	22½ cents each
70,000 shares at	37½ cents each

Payment of $10,000 is to be made on the 26th of each month, commencing in May, 1937.

N. C. URQUHART & CO.

STOCK BROKERS

Members Toronto Stock Exchange

15 King Street West Toronto, Ont.

ADel. 6028

OPTIONS

Pursuant to listing regulations, the Toronto Stock Exchange has been advised as follows of options and underwritings upon treasury shares of the following companies:

Bagamac—An extension of one month has been granted on May 1 installment covering 100,000 shares at 25 cents per share under agreement Feb. 1.

Homestead — Extension of 60 days has been granted on balance of Apr. 29 installment covering 76,000 shares at 75 cents per share under agreement Apr. 9, 1936.

Kerr-Addison—As at Apr. 30, a total of 1,179,149 shares has been subscribed for by shareholders at 80 cents per share in connection with the rights offered as of Mar. 20.

McWatters—On Apr. 30 granted its mine manager an option to buy 10,000 shares at $1 per share for a period of one year.

Prospectors Airways—A block of 100,000 shares has been sold at $1.50 per share.

Quebec Gold—Advises that 5,690 shares have been sold at 28½ cents per share; 5,560 shares at 32 cents and 11,250 shares at 50 cents under agreement Aug. 31, 1933, under which the consulting engineer of the company was entitled to purchase 7½% of each treasury issue at the issue price.

Royalite—Company has issued 285 shares as the purchase price of a lease and sublease and royalties payable on sales of production of petroleum and natural gas from L. S. D. 9 of section 28, township 18, range 2 west of the 5th meridian.

United Oils—The unexercised portion of the option dated Feb. 4, comprising 350,000 shares at 50 cents per share has been terminated and the company has granted a new option as follows: 100,000 shares at 30 cents per share by June 1; 100,000 shares at 30 cents by July 1 and 150,000 shares at 40 cents per share by Aug. 1.

Red Lake Gold Shore—Has the consent of the Toronto Stock Exchange for the release from pool on May 15 next of 1,500,000 shares of Red Lake Gold Shore Mines. When the stock was listed on Apr. 8, 1935, one of the listing conditions was that 1,500,000 shares of vendors' stock would be held in pool by the Trusts and Guarantee Co. until Apr. 1, 1936, and such further period, if any, as should be prescribed by the Ontario Securities Commission and the Toronto Stock Exchange.

On Apr. 1, 1936, the pool was renewed for a period of one year and is now terminated.

Gold Eagle Gold Mines advises that the May 1 installment covering 5,661 shares at 60 cents per share under option agreement dated Mar. 24, 1937, has not been met and the option has consequently been terminated by default. There are no longer any options outstanding upon treasury shares of this company. Total issued capital is 2,631,339 shares.

Spring Break-up Brings Renewal of Operations

From Our Own Correspondent

WINNIPEG.—With the resumption of flying to the nearer mining districts, prospectors and engineers are returning to the field after the spring break-up. At points farther north, such as Sachigo River, God's Lake, Island Lake, Favorable Lake and Sandy Lake, the lakes are still frozen tight. The last plane in from Sachigo took off from the ice on wheels to make a landing at the Winnipeg airport.

Unofficial word from Sachigo River Exploration Company says the shaft is down 155 feet and crosscutting on the upper level is in 40 feet. The distance to the vein is approximately 100 feet and the cutting of the vein is looked forward to with great interest. There are about six other crews in the field, all equipped wtih supplies to last through the summer, who have already commenced surface work on the various properties.

NOTICE to shareholders of

HERB LAKE CONSOLIDATED MINES, LIMITED

(No Personal Liability)

Holders of street certificates are requested to forward same for transfer into their own names, and registered shareholders are requested to notify changes of address to the Company's Transfer Agents:

THE MINING CORPORATION OF CANADA, LIMITED
350 BAY STREET, TORONTO, CANADA,

in order that shareholders may receive an important announcement.

G. C. AMES, Secretary.

Mill Construction

Contract has been awarded for the immediate construction of 125 ton mill at Gurney Gold Mine. Construction plans allow for additional units to be added at a later date to handle greater tonnage.

Complete finances have been privately arranged and present plans are to have the property into production in October. A conservative estimate of tonnage has led to mill construction, and Gurney Gold is assured of joining the ranks of Manitoba's gold producers.

This advertisement is not for the purpose of selling shares as treasury is completed into production.

GURNEY GOLD MINES LIMITED (N.P.L.)

Mine Office: Cranberry Portage, Manitoba.

Head Office: 564 Grain Exchange, Winnipeg.

Sherritt Area Holds Interest For Manitoba

Sherritt-Gordon Opening, Higher Metal Prices, Are Stimulating

BIG COPPER ZONE

From Our Own Correspondent

WINNIPEG.—As the 1937 mining season gets under way in Manitoba, it is evident that major interest is going to centre on an area in the northwest section, between the towns of Flin Flon and Sherridon, near the Saskatchewan border, and the Elbow-Morton Lake district, some 38 miles east.

Behind the new interest of this copper-gold-zinc area is the fact of higher base metal prices, and the news that Sherritt Gordon Mines, whose mill has been idle for five years, will be again in production in June or July. Resumption of work at this operation which never really had a chance to show its wares before blighted by dropping prices, has given fresh impetus to work in this area.

Sherritt now stands all ready to go into production. The delay is due to lack of power, now overcome with completion of the addition to Churchill River power plant. Just exactly when power from this source will be available is not known. It is considered likely, however, that the mill will be tuned up slowly, starting perhaps by the end of June. In the meantime, the deep development programme started a year ago has been successfully completed, and No. 3 shaft has been carried from 950 feet to 1,135 feet, with a seventh level established at 1,100 feet. The crushing plant, formerly on the third level, has been moved to the sixth level, and ore passes constructed. The west ore zone on this property runs about 2.8% copper with a small amount of gold and silver. The east ore zone averages about 5.78% zinc and 2.14% copper.

Twelve miles south of Sherridon is another reason for the interest being displayed in this general area. Gurney Gold Mines, which acquired in 1935 the assets of Wylie-Dominion Gold Mines on a share for share exchange basis, has at time of writing just let a contract for a 125-ton mill, which is expected to be ready for production by October. C. B. Dawson, consulting engineer, in conversation with The Financial Post, stated that there were ore reserves in sight sufficient to supply the mill on a 125-ton basis for three years. The ore, it is believed, will run around $18 gold to the ton, with costs being estimated at $6.50 to $7 a ton. These, of course, are preliminary estimates, and liable to change, as in the case of most new producers.

Dickstone Copper Claims

Going east from Sherridon, to the Morton Lake area, there are evidences of intense activity. Ventures Ltd., widespread holding and exploration company for the Lindsley interests, are understood, from reliable sources to be interested in the five million share Dickstone Copper Co., of which H. R. Drummond-Hay, of Winnipeg, is provisional president. Dickstone Copper owns outright 27 claims and has options on 22 more, along the west side of Morton Lake. Of its five million shares, two million have been issued and reserved for properties owned and optioned. Sherritt Gordon, one of the Lindsley companies, has a 40% interest in the new copper prospect.

A considerable amount of drilling has been done on these claims, and 22 holes, The Post is informed, have been drilled to a depth of 300 feet for a length of 700 feet giving 4% copper over a seven-foot width and an indicated tonnage of 400 tons per vertical foot of depth, or a total of 120,000 tons to a depth of 300 feet. This, with copper at 15 cents per pound, would have a value of $1.5 million. The Post learns that three other ore bodies have been indicated. In the immediate future, the company plans to do another 5,000 feet of drilling. Work is under the direction of Eldon Brown.

These results at Dickstone have, as might be expected, attracted many prospectors to the area, and maps at the recorder's office at Winnipeg indicated that much random staking has been done, in the hope that when the snow disappears mineralization will be revealed.

Gold Mines' Situation

With public interest in gold stocks at a low ebb at the moment, the rest of the Manitoba mining picture remains more or less quiet. Mining men are laying odds on how long Central Manitoba Gold Mines, tenacious producer in the central Manitoba field, can continue to carry on before "they wrap it up and take it away." This property, which has consistently confounded the sceptics by managing to reveal just enough ore to keep the mill going from month to month, is again facing a crisis, with the general opinion being that the end cannot be far off this time.

At San Antonio Gold Mines, little is known of recent developments, although the public appear to be disappointed with what they think is going on, and are accordingly allowing the stock to drop even lower than the general decline would account for. Reports in Winnipeg, entirely unconfirmed, were to the effect that some disappointment had been met with in the new workings, although it was pointed out that this may be of little significance. An official statement from the company would help clarify matters in this regard.

Laguna Gold Mines, whose mill, financed by Mining Corp., started up last summer, is giving a good account of itself as a young producer, all reports indicating a satisfactory position.

The province is definitely not concerning itself to any sizeable degree with labor troubles elsewhere. It is felt here that the comparatively small population at the mining centres with the exception, of course, of Hudson Bay Mining & Smelting Co. at Flin Flon, does not lend itself to C. I. O. labor organization, and that therefore there is little to be feared from that quarter. At Flin Flon the workers are among the highest paid of any mining camp in Canada, a fact which is apparently realized by the employees, who to date have made no approaches to the management.

ARCA SETBACK

Hopes for the future of the deep test well of Arca Development Co., drilled on the Aldersyde structure in southern Turner Valley, received a setback when, after drilling to nearly 9,000 ft. in the limestone, the company failed to find production. Arca, which was drilled through the joint co-operation of Imperial Oil, Canadian Western Natural Gas Co. and Calgary and Edmonton Corp., attracted considerable attention because of its depth, one which made it the deepest oil development in the British Empire. By oil operators and the public, the fortunes of Arca were followed with the keenest interest given a "wild cat" in years.

Mining Company Reports

Red Lake Gold Shore

Bullion recovery of $133,960 from milling of 13,196 tons of ore is noted in the report of Red Lake Gold Shore Mines summarizing operations for the first three months of 1937. Excepting depreciation, taxes and predevelopment charges, total operating cost for the period amount-to $79,777. Extraction ran 96.5%.

Main development during the quarter was the opening of another level at 700 ft. W. P. Mackle, manager, states that the company is now drifting in ore at this level that is considerably above mine average. Widths so far indicated are at least equal to those on the upper levels. Two surface holes on the Robinson vein area gave intersections of ore grade at a vertical depth of about 160 ft. below the collar of the shaft.

A new plan of development is under way on the different levels, the fault zones being followed and explored rather than the sheared dyke zones previously. "Our ore reserve position," concludes Mr. Mackie, "has been improved during this quarter, and with the opening of another level or two during the next three months I expect that there will be a constant improvement in this regard."

Moneta Porcupine

Directors anticipate that Moneta Porcupine Mines will be in production during this coming year, W. E. Segsworth, president, announces in submitting to shareholders reports of the company's operations to March 31, 1937.

As at March 31, 1936, Moneta owned three 40-acre claims contiguous to Hollinger on the west. Since then five other 40-acre claims have been purchased, adjoining the original claims to the south and west.

Total profit on sale of securities was $147,257 as at March 31, 1937. Moneta's interest in Straw Lake Beach Gold was sold at a price showing a profit of $50,166. Shares in other companies showed a profit of $35,390.

During the year shares issued from the treasury totalled 547,760, of which 16,500 were issued for two claims adjoining the Timmins property. Sale of 300,000 shares to the public netted the treasury $211,237, and to provide funds for development of the Timmins property 231,260 shares were issued to shareholders on rights, realizing $289,075. Shares offered for shareholders' subscriptions were completely taken up. The company received a premium of $57,815 on the issue.

Moneta's mining plant is completely electrified. An 80-ft steel headframe has been installed equipped with a hoist capable of mining to the 2,000 ft. level. A three-compartment shaft has been sunk to approximately 350 ft., with stations cut at the 150- and 275-ft. levels. Shaft will be continued to 550 ft., with stations at the 400- and 525-ft. levels.

McKay (Quebec) Exploration

Assets totalling $22,483 as against current liabilities of $1,044 are noted in the report of McKay (Quebec) Exploration Ltd. for 1936. President A. H. McKay states that it will be the company's policy to continue an active development campaign on its present property holdings, in addition to its other activities.

The president reports that, based on estimated fair valuation, the company's security holdings would have a total valuation of approximately $300,000, representing an equity of about $30 per share, to which is to be added net cash and other current assets of over $2 per share.

Properties staked by the company during the year and retained for more detailed examination and possible ultimate sale or separate incorporation and development have a total area of 5,240 acres. They lie along the mineralized belt extending through Cedar Bay to Opemiska.

News Concentrates

Central Duverny Gold reports that the first five drill holes indicated a sizeable gold-bearing formation. Holes Nos. 6 and 7 have been completed. The cores show mineralization and quartz veins similar to those obtained from the first three holes. First 24 samples from Hole No. 6, which is 100 ft. north of Hole No. 1, all carry values varying up to $6.36, according to Dr. J. P. Nowlan, geologist in charge.

* * *

Clark Gold cut 11 veins in No. 8 diamond drill hole, which was put down through the ice, according to R. H. Miner, president. Two core sections, both over three feet in length assayed 1.95 and 1.73 oz. gold per ton ($68.25 and $60.55 respectively).

* * *

Colonial Gold Mines has so far completed 1,395 feet of drilling in seven holes, securing gold values ranging from 70 cents to $5.95 Company will contract for an additional 2,000 feet of drilling. Importance is attached to the fact that the Nortrac Mining Co., which borders Colonial Gold on three sides, plans to sink a shaft to 500 feet.

* * *

God's Lake Gold Mines now handling 150 tons daily, will be stepped up to 200 tons daily about June 1, by which time installation of machinery to take care of the increase will be completed, according to R. J Jowsey, president. During April, production was held to about the same level as for the first quarter of 1937, for which period the output was about $143,000. Development is progressing west from the shaft on the fourth and sixth levels.

* * *

Payore Gold Mines has been approved for listing on the Toronto Stock Exchange and is being traded under the ticker abbreviation PAY. Listing covers five million $1 par value shares. As of April 13, 1937, 3,408,665 shares were issued, with 1,591,335 in the treasury.

* * *

Rodama Gold Mines has filed a registration statement with the S.E.C. at Washington covering an offering of 100,000 shares of class A common stock of $1 par value at par. Nels M Hansen, 1125 W. Pender St., Vancouver, B.C., is president. No underwriter is named.

* * *

Southern Golds has, since the first of this year, opened up veins Nos. 1, 2 and 3 for considerable lengths in the underground workings of this Piedmont, S.C., property, showing good ore over mineable widths. A new vein, which is now being drifted on, was discovered, it is reported, during this work.

Scott Chibougamau Mines—A. H. McKay has been elected president. Lovell G. Mickles is vice-president, and R. B. Wightman, secretary-treasurer. With the above, directors include E. O. D. Campbell, W. C. Nicholson and R. P. Mills.

* * *

Reno Gold Mines secured an average recovery of $17.34 per ton during April, treating 3,749 tons of ore for production valued at $65,021. This compares with production of $70,100 from 3,720 tons milled during March. For the first four months of this year, production has been $280,416, recovered from 14,125 tons, or an average per ton of $19.96.

* * *

Siville-Ferrier Syndicate reports that surface work preparatory to diamond drilling is continuing on the property and will be sufficiently advanced to permit the commencement of drill operations in the immediate future. Conditioning of the road into the property for the transportation of machinery is nearing completion.

* * *

Little Long Lac Gold reports net profit of $555,956 for 1936. President Joseph Errington points out in the annual report for 1936 that through additions and improvements to milling gold recovery is practically 95%. Shaft sinking to open up two new levels is proceeding and mill capacity will be increased to 300 tons daily in July. Company's cash position has been maintained and its ore reserves added to. Total ore reserves as at January 1, 1937, including proved, probable, and possible ore, stand at 396,453 tons, running over .5 oz. per ton.

* * *

Sheldon-Larder Mines—capitalized at 3 million shares, has been formed to develop a four claim group in McGarry twp., Larder Lake area, adjoining Kerr-Addison on the west. It is likely that additional claims in the same area will be acquired.

* * *

Sturgeon Goldfields — with two properties in Rouyn twp., has an active development campaign under way for early spring. The first group of claims, the Golden Road property is directly on the break between Stadacona and McWatters, about two miles south of Noranda. Geophysical survey is being made and will be followed by diamond drilling. Second group of claims, the Gold Valley property, adjoins McWatters and Clerno on the south. Four veins have been located, the first two of which are well defined and have been traced by trenching and diamond drilling for over 1,400 feet.

Mining Corp. Widens Field

President Reports on Work in Statement to Shareholders

While Mining Corp. of Canada has expanded its exploration considerably, this exploration is at too early a stage for its advantages to be seen, says J. H. C. Waite in a report to shareholders on the London register.

Company's holdings of Base Metals are now about 800,000 shares, down about 23,000 from the first of the year. A new ore body was picked up at the Monarch Mine during the year, and this property may possibly develop into an asset of importance. At present lead and zinc prices, the Kicking Horse Mine, which has approximately 35,000 tons of ore, can operate at a small profit.

One of Mining Corporation's main assets is its shareholdings of Hudson Bay Mining & Smelting Co., profits from which were about $500,000 more in 1936 than in 1935.

The mine at Hudson Bay M. and S. is in excellent shape, and the power plant at Island Falls will be producing an additional 19,000 h.p. by July. Mining Corporation at present holds 1,460,000 shares in Laguna Gold. An operating profit of about $10,000 monthly is currently being made at Laguna, on which property Mining Corporation expects to sink and develop two additional levels during the coming year.

An earnest effort is being made to find a new property for Ashley Gold Mining Corporation. Sufficient finances have been provided to bring Normetal Mining Corporation into production. Early in July a milling basis of 250 tons daily is looked for. It is hoped that this mill tonnage will be doubled by the first of 1938.

Construction of a plant at Kerr-Addison Gold with a daily capacity of 500 tons is expected to start shortly. Mining Corporation owns about 162,000 shares of stock in Kerr-Addison, which it secured at no cost.

In 144 claims in Gordon Lake area Mining Corporation owns a 65% interest. A crew has been sent in to carry on prospecting and to open up some of the other showings found last year. Mining Corporation has organized a new exploration company known as Territories Exploration Co., which will confine its activities to Northwest Territories for the present. The new company has 3 airplanes and a crew prospecting this field.

In addition the Corporation has taken interests in a large number of syndicates and prospecting ventures, and also in a number of exploration and development companies.

Pioneer's Net Down in April

Monthly Average in 1937 Lower by $27,667

From Our Own Correspondent

VANCOUVER. — Estimated net profit of Pioneer Gold Mines in April was $96,000, the lowest on record for the mine in many months. March net profit was $107,000.

Gross production was valued at $175,000, with expenses running $79,000.

Monthly average this year is $27,667 less than that of the corresponding period of 1936. Expenses are $1,292 more and the profit per month $28,959 less than the average monthly profit for 1936.

From the commencement of milling operations by the present company in 1928 to April 30, 1937, total production has been $14,661,477.

Production Rises In Turner Valley

Madison Horizon Yields 158,407 Barrels in March

During March the main producing horizon of Turner Valley, the Madison limestone, gave a total of 158,407 barrels of naphtha and crude oil. Alberta's total oil production, including the largest production of crude in history and the greatest naphtha production since enforcement of gas conservation in 1931, totalled 161,832 barrels.

To this total, B. and B. contributed 22,283 barrels, Turner Valley Royalties 18,724 barrels. Other outstanding producers were Sterling Pacific No. 4, with 12,135 barrels, Mercury and Miracle interests with 11,265, and Royalite wells and plants 11,265 barrels.

Athabaska Mine Field To Utilize Hydro Power

From Our Own Correspondent

REGINA—Development of water power for electricity this summer in the Athabaska mining field is regarded as certain. Negotiations are under way between Consolidated Mining and Smelting Company officials and members of the provincial natural resources department.

The company plans to erect a plant which will have a 15,000 h.p. output with provision for future development. Exact location is not revealed but there are several waterpower sites not far from C.M. & S. holdings near Goldfields.

April Production at Siscoe Registers an Increase

Siscoe Gold Mines handled an average of 533 tons daily during April, in which month bullion produced was valued at $220,673, as compared with $205,826 in March. Mill heads ran $14.21 per ton, and a total of 15,987 tons of one was treated In March, tonnage was 10,581 mill heads $20.11, and daily average tonnage 341.

Production for the first four months of this year totalled $878,683 from treatment of 59,589 tons. An average of 500 tons daily was handled.

To Produce Salt At Waterways

By this summer, Industrial Minerals Ltd. expects to produce 200 tons of salt per day from its well at Waterways, Alta., according to Fred Bachelor, president. Pumps, pipe lines and evaporating equipment will in the meantime be installed.

Extensive salt beds, up to 190 feet in thickness at a depth of 750 feet, were revealed in previous drilling. There are now 40 men working on the production well, into which water will be pumped and later sucked out as brine and evaporated in heated pans.

Gold Output For Quebec

Three Months Production Near $6 Millions Mark

From Our Own Correspondent

QUEBEC.—Gold, valued at $5,967,290 in Canadian funds, was produced from 16 mines in the Province of Quebec during the first three months of 1937, with Lamaque leading the way in the gold content of shipments, and Beattie having the largest tonnage of ore treated.

Official figures released by the Quebec Bureau of Mines for activity during the first quarter of 1937 are as follows:

Mine:	Ore treated (tons)	Gold contents of shipments (ounces)	(value)
Arntfield	15,775	1,446	$50,610
Beattie	143,480	17,885	625,975
Belleterre	6,647	1,210	42,350
Candn. Malartic	51,357	7,133	249,655
Lamaque	49,066	20,078	702,730
McWatters	8,075	3,351	117,285
O'Brien	5,681	9,136	219,760
Perron	29,671	7,380	258,300
Shawkey	13,603	3,223	112,805
Siscoe	43,605	19,218	672,630
Stadacona Rouyn	17,903	2,967	103,845
Sullivan	13,349	5,342	186,970
Four other mines		72,125	2,524,375
Total		170,494	$5,967,290

May Pay Bonus At Cariboo Gold

Lower Mining Costs Due to Wider Veins

From Our Own Correspondent

VANCOUVER. — Operations at Cariboo Gold Quartz Mining Co. property have been so favorable in recent months that a bonus in October is possible, according to Managing Director R. R. Rose.

Wider veins and consistent values are being encountered at depth, Mr. Rose says, and operations have reached the point where the wider veins make cheaper mining possible. The main haulage tunnel has been extended. Work on the 1,600 and 1,700 levels has added 10,000 tons to the tonnage estimated previously—209,000.

The mill, now running 225 tons, will soon be stepped up to 270 tons and it may be increased later at not much cost to 300 tons, according to Mr. Rose.

Dome April Production Below Figure for March

April output of Dome Mines was valued at $599,265 from treatment of 47,600 tons, average recovery being $12.59 per ton. The decline from March output of $639,763 from treatment of 48,700 tons, with average recovery of $13.14, was because of smaller tonnage and the lower grade of ore treated during April.

Dome's average recovery in the first four months of the year was $13.29, production being $2,500,888 from treatment of 188,400 tons.

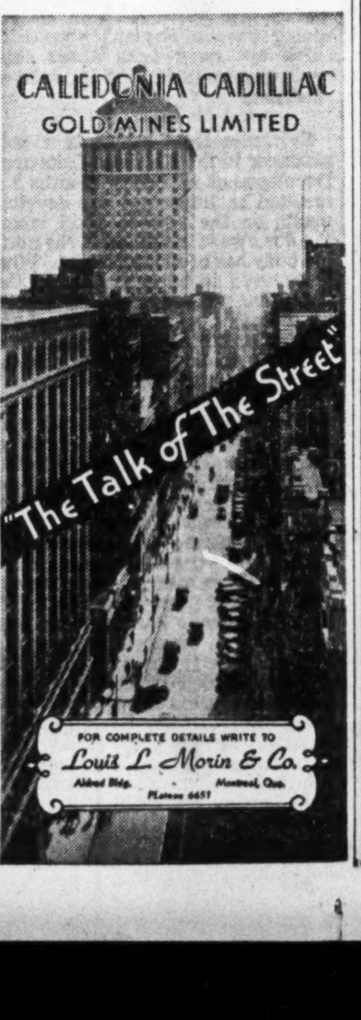
Former Mines Minister Heads Anglo-Canadian Co.

C. C. Ross, former Minister of Lands and Mines in Alberta, is the new president of the Anglo-Canadian Drilling and Development Co., which holds a 6% royalty interest in the Weymarn well and 6,400 acres near the well.

Other officers are: A. K. Leitch, vice-president; H. E. Howard, secretary-treasurer; directors, F. P. Byrne, W. G. Egbert, W. S. Campbell.

Mine Director

Caledonia Cadillac Gold has added Ernest W. Sayer, former Quebec M. L. A., to its directorate. Company holds two properties in Bousquet twp., Quebec, upon which some surface and exploration work has been done with results reported as encouraging.



Power Plant Destruction Halts Athona Mine Work

From Our Own Correspondent

REGINA.—Destruction by fire of the power plant of Athona Mines will cause a delay of possibly two months in deep working operations in the mine at Goldfields. A new power plant with larger capacity has been ordered but it will not be available until after navigation is under way on the lake and even if shipped at first opportunity it would take some time to install it.

The destroyed power plant included a 125-horsepower Diesel, a compressor, air driven hoist and a 25-horsepower Diesel operating a dynamo. Total loss was $30,000. Surrounding buildings were saved by using water from a tower tank.

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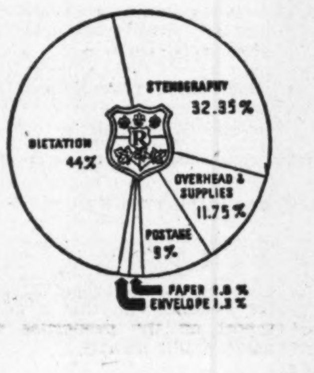

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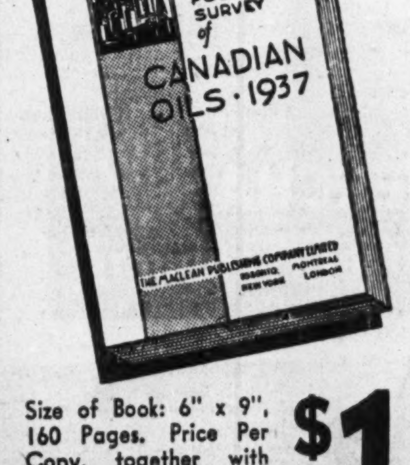

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Good Year For Bralorne

Development Work in 1936 Improves Position of B. C. Mine

Bralorne Mines earned and paid 60 cents per share during 1936 as compared with earnings of 40 cents in the previous year, according to the annual report for the year ended Dec. 31, 1936.

The year 1936 was by far the best in the history of Bralorne, Ira B. Joralemon, consulting engineer, reported. Mr. Joralemon pointed out that in order to maintain ore reserves in the property's rather narrow faulted veins, it will be necessary to keep development costs to $1.50 or $2 per ton.

In many parts of the mine, the cut-and-fill method was adopted successfully, and this contributed to the richer ore mined and the higher grade of reserves. Ore reserves carried over from 1935 have been recalculated to give a lower tonnage and a higher grade. Increased production of gold, with the same mill and other facilities, is possible through the cleaner mining.

At Dec. 31, 1936, total ore reserves, developed and probable, amounted to 505,000 tons, averaging 0.45 oz. in gold per ton. On all levels from the 5th to the 8th ore has been developed in the Blackbird vein. A diamond drill hole found ore 200 ft. below the 8th level. Within a few months a crosscut on the 10th level will reach this vein.

Because of the additional work necessary to bring the Bradian property into production, the amount of development work shows an increase over 1935. During 1936, 24,248 ft. of drifting, crosscutting, shaft sinking, etc., was done, at a total cost of $296,134, or $1.77 per ton.

During the year bullion produced totalled 50,085 oz., with 15,142 oz. of concentrates. Average mill head was 0.411 oz. per ton.

At Dec. 31, 1936, current assets amounted to $1,420,252, consisting of cash $1,177,967, bullion in transit $189,574, accounts receivable $9,253 and inventories $43,458. Current liabilities of $493,003 included accounts payable $84,340, wages and salaries $13,422, dividends $187,050, and reserve for income taxes $208,191.

Working capital stood at $927,249 at the end of 1936, as compared with $834,090 at Dec. 31, 1935. Approximately 650 ft. of drifting has been done on the newly discovered vein "59," nearly all in commercial ore. On the 6th level about 290 ft. of development work has also been done, and it is said that since Dec. 31, 1936, about 10,000 tons of ore has been added to the reserves.

Income and Surplus Account
Years Ended Dec. 31

	1936 $	1935 $
Revenue from bullion	2,231,420	1,616,158
Less: Production costs	862,519	554,089
Ship. & deliv. exp.	68,919	63,333
	1,299,982	998,736
Add: Misc. income	5,597	31,129
Gross profit	1,305,579	1,029,865
Less: Admin., office & gen. exp.	30,306	29,853
Net loss on community wel. depts.	3,764	.....
Deprec. bldgs., plant & equip., etc.	290,000	130,000
Depl., devel. & expl.		220,000
Fed. & prov. tax res.	230,000	150,000
Net profit	751,509	500,012
Less: Dividends	748,200	150,000
Surplus for year	3,309	350,012
Add: Prev surplus	708,320	382,373
Less: Prior yr. inc. tax	......	24,065
Balance forward	711,629	708,320
Earns. per Share and Divd. Record:		
Earned	$0.60	$0.40
Paid	0.60	*0.15
Shares Outstanding	1,247,000	1,240,000

*Based on the 1,000,000 shares outstanding at date of payment.

Reward Mining Allots Stock to Riel for Services

From Our Own Correspondent

MONTREAL. — Reward Mining Co. directors have allotted and issued to C. P. Riel for past services and services rendered in connection with the acquisition of Surf Point Mine, 75,000 fully paid shares of the capital stock of the company.

Your Mining Stocks

The Financial Post offers to subscribers a special mail service of information on Canadian mining securities. Letters of general interest will be published anonymously.

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Kaw Crow Patricia

I hold some shares of Kaw Crow Patricia Gold Mines. How is this property regarded and what is the situation there at present?

Kaw Crow Patricia Gold Mines Ltd. holds a property of 65 claims in the Pickle Lake-Crow River area of Northern Ontario, adjoining the Pickle Crow Mines and the Winoga Patricia Mines on the east and Albany River Mine on the southeast.

A geophysical survey of the property has been completed and extensive surface work and diamond drilling have been done. This work is, we understand, still going on. We would class this property as still a prospect. Work was begun on it partly because of its location possibilities and partly on geological inference.

Lake Rose Gold Mines

I have not seen Lake Rose Gold Mines quoted for some time now. Will you please give me some information on the prospects of this company?

Lake Rose Gold Mines is one of the properties in which Prospectors Airways Co. Ltd. holds a share interest.

Prospectors Airways staked about 59 claims near Rose Lake, Quebec, late in 1934 and formed Lake Rose Mines Ltd. early in 1936 to acquire these claims. As at Dec. 31, 1936, Prospectors Airways held 1,119,700 shares.

According to our latest information, development at Lake Rose Mines during 1936 was disappointing and added little new ore to that previously indicated. Exploration is still being carried on, however, and upon its results will depend the future operations of Lake Rose Mines. If negative results are obtained from development now under way further exploration will be discontinued, according to the consulting engineer, M. F. Fairlie, and consideration will be given to the question of extracting the developed ore.

The balance sheet of Lake Rose Mines Ltd., as at Jan. 31, 1937, showed current assets of $129,353 of which $129,015 was cash, and current liabilities of $11,817. Mine development and administration charges, etc., deferred, amounted to $190,980 at that date. Assets totalled $2,011,822.

Omega Gold

There has been a good deal of interest lately in the Larder Lake area. Will you please enlighten me on the picture at Omega Gold?

Omega Gold Mines is operating a gold producing property in McVittie Township, Larder Lake area. The company is under the control and technical supervision of Castle-Trethewey Mines. The machinery is mostly installed to bring production to 500 tons per day.

Costs have been reduced and mining and milling costs, before depreciation, are now running about $3 per ton. For the year ended Dec. 31, 1936, Omega milled 113,897 tons of ore for a recovery per ton of $3.78 and bullion recovery of $430,273. Recent development has been encouraging, with valuable ore being found where original estimates did not take into consideration possibilities as good as actual development has shown.

Kenricia Gold Mines

Will you please give me your comments on Kenricia Gold, as I am rather interested in this property?

Kenricia Gold Mines is developing 500 acres at Clearwater Bay, Lake of the Woods area, Ontario.

Surface development and diamond drilling indicated a vein 700 feet in length averaging $20 to the ton across 30 inches. A shaft has been sunk on the property to about 350 feet, with objective of 500 feet. Down 200 feet in the shaft, the main vein was encountered, returning values of $75 per ton across two feet.

Lateral work is proceeding on the two levels at 200 and 350 feet. The vein is now being crosscut and drifting will soon be under way. Mill plans are likely to be under consideration within a few months, providing that underground work confirms surface and drilling results. Lateral work is under way with the intention of blocking out sufficient ore by mid-summer to install a mill with a daily capacity of at least 100 tons by fall.

Matachewan Consolidated

What about Matachewan Consolidated? I should like your opinion on whether or not the prospects there can be considered encouraging.

Matachewan Consolidated Mines operates a producing gold mine in Matachewan area, Ontario. Profit margins are necessarily small at this operation, due to the low-grade character of the ore bodies so far opened up in the district.

A total of 54,764 tons was milled during 1936, yielding a gross return of $425,202, indicating an average recovery of $7.76 per ton. 1935 recovery averaged $7.38 per ton. The working capital at Matachewan Consolidated showed a marked reduction at $2,966 for 1936, down from the $55,055 shown at Dec. 31, 1935. Mill additions and an extensive development programme were largely responsible for the decrease. Ore reserves at Dec. 31, 1936, were estimated at 290,940 tons averaging $6.10 per ton. An additional 111,193 tons has been partially blocked out. Reserves in the previous year were 125,965 tons. Developments during 1936 included the sinking of the shaft to 650 feet preparatory to the opening of three new levels below the two already developed.

Operations this year are expected to result in a much higher gross recovery, due to the raising of mill capacity. Development costs would seem likely to remain at their present high level, however, due to the programme of lateral exploration to be carried out on the three new levels.

Sand River Gold

I should like to have summarized the developments of late at Sand River Gold.

Sand River Gold Mining Co. was formed to acquire and develop 22 claims in Beardmore area, Port Arthur mining division.

Surface exploration and diamond drilling indicated two ore sections, one of which averaged $22 across 13 inches for a length of 550 feet and the other $7.13 across 6 ft. 11 inches for a length of 400 feet. The shaft has been sunk 450 feet. Drifting on the second level openel up 704 feet of ore averaging $19.11 per ton across 11.3 inches. On the third level, a total of 729 feet of ore was developed showing values of $24 per ton across 11.6 inches. Work has begun on the first level and it is expected that the vein will be intersected shortly. Drifting so far completed has been 58% in ore.

The company reports sufficient funds in its treasury for the present programme of development.

United Empire

Will you kindly let me know how the current level of base metal prices is affecting United Empire Gold and Silver Mining Co.? I understand that this property was inactive.

United Empire Gold & Silver Mining Co. Ltd. owns gold-silver-lead-zinc property composed of 14 crown-granted claims, two miles north of Stewart, B.C., in the Portland Canal Mining Division. Over 2,000 ft. of tunnelling has been completed. The company also holds 16 claims by location in the same district. Power is available from the Northern British Columbia Power Co. Ltd. This property suspended its operations temporarily in November of last year, at which time the manager of this company announced that it had awarded a contract to haul 200 tons of ore to the Welldun mill. Finances of this company for the year 1936 were not reported.

Laguna Gold

What information have you on Laguna Gold, particularly on the development now going on at the property.

Laguna Gold Mines Ltd. is a subsidiary of the Mining Corp. of Canada. The property was formed as a consolidation of properties of Manitoba Metals Mining Co. and Herb Lake Consolidated Mines, controlled by Mining Corp. and owning over 400 acres on the east shore of Herb Lake, Man. In 1924-25 a small mill was operated and some 7,000 ounces of gold extracted. Ore reserves are estimated at 35,116 tons. It is planned to sink the shaft to establish levels at 875 and 1,000 ft.

In presenting the first annual report of Laguna Gold Mines the president stated that gold bullion to the value of $164,966 was recovered from 9,014 tons of ore, making an average recovery of $18.30 per ton. The extraction was slightly better than 99%. During the five-month period of operation the mill averaged 59 tons per day and is currently handling about 70 tons per day. Very little development work was done in 1936, efforts being concentrated on opening stopes and shaft sinking, at depth now being down 1,000 ft.

Stadacona Rouyn

Among the Quebec properties in which I am interested is Stadacona Rouyn Mines. Will you oblige me with a brief review of the situation at this property?

Stadacona Rouyn Mines Ltd. owns a gold property consisting of 600 acres of leasehold claims in Rouyn twp. of Quebec. Through the sale of two groups of property, the company received 1 million shares in Red Gold Mining Co.

The present plans for the Rouyn property call for the sinking of the shaft to 1,200 ft. and the opening of new levels at intervals of 125 ft. The three-compartment shaft is now down to 600 ft. The 200-ton mill was tuned up in Oct., 1936, being increased to 300 tons daily.

With millheads running around $10 and daily tonnage now at 220, the present monthly production rate is between $65,000 and $70,000. It was announced in January of this year that sufficient ore had been developed to feed the 200-ton mill for three years without taking the tonnage indicated in the west ore body. Available tonnage is estimated at 170,000 tons of gross value $1,350,000, exclusive of drilling and the west ore body. About 9,000 tons of ore are on the dump.

Globe Mines

I understand that Globe Mines is an Arizona proposition with an office in Canada. Would you please comment briefly on this company for me?

Globe Mines Ltd. is said to be developing a gold-zinc-lead prospect consisting of eight claims in Gila County of Arizona, 18 miles from Globe City.

The property has been developed, it is stated, by three tunnels which have been driven into the mountain. A fourth tunnel is planned, and late last year the directors anticipated installing a 100-ton mill which was to be in operation by midsummer of this year. This company's finances for 1936, however, were not reported.

Nicola Mines & Metals

What is the outlook for Nicola Mines and Metals? As an eastern shareholder interested in this and other British Columbia propositions I should greatly appreciate a résumé of this company's present status through your valuable columns.

Outlook for Nicola Mines & Metals Ltd. was not improved by the publication in March of a report by the British Columbia Mine Department. The gist of this report was to throw considerable doubt on the ore picture. The report showed that the property was dependent upon the Enterprise vein. Of the other veins, investigation did not show that any considerable tonnage is to be derived from them. The report stated that in the Enterprise workings, development work should be pushed aggressively in order that there should be an assured tonnage for the mill.

Millheads are at present so low as to put the operation into the marginal class. In connection with the milling operations, daily production was a little over 50 tons per day.

On March 1, the financial position of this company was as follows: trade accounts and payroll payable, $20,000; a first payment of $2,000 was due March 1, 1937, on a first mortgage for $49,000; a second mortgage on the property amounted to $47,000; against which the only assets which could be classified as current was an account receivable for concentrate shipped of $9,000. The company's position, therefore, does not appear very encouraging.

Sylvanite Gold

I am considering putting some funds into Sylvanite, and before doing so would be glad if you could give me some facts about this property to enable me to reach a decision.

Sylvanite Gold Mines is a gold producer in the Kirkland Lake area. Development in recent months has resulted in important ore developments on the 3,000-ft. level where the downward extension of the north ore body has been intersected. What is believed to be extensions of this important ore body are now reported to have been intersected on 750, 875, 2,250, 2,875 and 3,000-ft. levels. Average grade of this ore is in the neighborhood of $18.50 per ton.

The company has paid annual dividends at the rate of 20 cents per share since the initial dividend at this rate on June 30, 1934. The fact that an extra of five cents per share, as well as the regular quarterly dividend was declared by the company and paid March 31, indicates that higher grade ore is beginning to be reflected in earnings. The company has, since the inception of dividends in 1930, always earned such payments with a comfortable margin.

In addition to the Kirkland Lake property, which is known to have substantial ore reserves, Sylvanite has, through its wholly-owned subsidiary, Erie Canadian Mines Ltd. an interest in several important subsidiary operations, which give the company possibilities of outside expansion.

No Capital Change For Paymaster

President Denies Report of Reduction in Capitalization of Mine

Rumors and gossip to the effect that the stock holdings of Paymaster Consolidated Mines were to be reduced are denied by E. H. Walker, president and managing director, in the latest progress report.

Bullion shipments from June 1, 1936, to April 19, 1937, amounted to $973,960. Shaft Nos. 2 and 3, the main shafts of the former Porcupine Paymaster Mines which are connected on the 300 and 400-ft. levels with workings extending to the 800-ft. level in the No. 2 shaft, have been completely dewatered.

Ore zones are being developed on the 300-ft. level, and some 60 tons of ore daily have been sent to the mill from this area. Development work is under way on levels established at the 1,225-, 1,400- and 1,575-ft. horizons in No. 5 shaft area, and is still in progress at No. 6 shaft. Reserves of broken ore in the mine are being maintained to give a six months supply at the present milling rate, averaging 450 to 460 dry tons per day.

Paymaster's monthly production is running around $105,000. For April, the average millfeed graded about $8.66 per ton. The company's liquid position is roughly $316,000 in cash and Government bonds, and by fiscal year-end, June 30, 1937, nearly $1,000,000 will have been reinvested in the mine.

Since June, 1936, 52,176 ft. of diamond drilling has been done, all costs being paid out of operations. Mr. Walker points out that, as the name implies, the company is a consolidation of several mines in the Porcupine camp.

St. Paul Heads Red Lake Gold

The election of Charles E. St. Paul as president of Red Lake Gold Shore Mines, succeeding Dr. R. W. Breuls, who has resigned, recalls the new president's long association with Canadian mining. Mr. St. Paul began the prospecting, staking and development of mines over 25 years ago.

He was co-discoverer with Gilbert LaBine of silver and pitchblende deposits at Great Bear Lake, Northwest Territories. From this find sprang what is now known as Eldorado Gold Mines. In 1928 Mr. St. Paul participated in John E. Hammell's expedition to the west coast of Hudson's Bay. Among enterprises with which he has been connected are Gold Eagle Gold, Paulore and St. Paul Silveradium. The new president is a member of the Ontario Prospectors' and Developers' Association.

To Fly Mining Equipment To Rankin Inlet Location

A complete radio station, drill and equipment for operations at the nickel deposit of the Cyril Knight Prospecting Co. at Rankin Inlet, North West Territories, will be flown in by Wings, Ltd., during the next month. The company has begun transporting 26 tons of mining materials to Rankin Inlet under one of the largest aerial freight contracts ever awarded in Manitoba.

Making round trips from Churchill of 650 miles each time, one of Wings' big Fairchild 82's will have to make 45 trips to carry the material and a crew of eight men to the property.

Mining Company Charters

Newly Formed

Akolax Placer Mines—B. C. registration April 20, 1937. H. O. without the Province, 601 Guaranty Trust Bldg., Windsor, Ont. H. O. in the Province Messrs. Davis and Co., Room 601, 626 Pender St. W., Vancouver, B.C.

Broadview Mines—B. C. registration April 20, 1937. H. O. without the Province 601 Guaranty Trust Bldg., Windsor, Ont. H. O. in Province Messrs. Davis & Co., Room 601, 626 Pender St. W., Vancouver, B.C.

Gold Gossan Mines—B. C. incorp. April 22, 1937. H.O. 45-6 Copp Bldg., 144 Hastings St. W., Vancouver, B.C. Auth. cap. 2,000,000 shares, n.p.v.

Grange Consolidated Mines—B. C. incorp. April 26, 1937. H. O. Room 524, 736 Granville St., Vancouver, B.C. Auth. cap. 3,000,000 shares, 50 cents each.

Compass Gold Mines—Ont. incorp. April 14, 1937. H. O. Toronto. Auth. cap. 3,000,000 shares n.p.v.

Lenore Kirkland Gold Mines—Ont. incorp. April 14, 1937. H. O. Toronto. Auth. cap. 3,000,000 shares, $1 par.

Kenjoseph Gold Mines—Ont. registration April 17, 1937. Manitoba incorporation whose attorney in Ontario is Albert S. Olsen, of Kenora, Ont.

G. H. Reynolds-Quebec Gold Mines—Que. incorp. April 9, 1937. H. O. Montreal. Auth. cap. 3,000,000 shares, $1 par.

Pamaco Mining Exploration Corp. Ltd. of Montreal — Que. incorp. March 19, 1937. H. O. Montreal. Auth. cap. 49,990 shares, $1 par.

Regent Gold Syndicate—Que. incorp. April 6, 1937. H. O. Montreal. Auth. cap. $3,000,000, divided into 60,000 shares, $50 par.

Springdale Gold Mines—Que. incorp. April 6, 1937. H. O. Montreal. Auth. cap. 4,000,000 shares, $1 par.

Lavalie Mines (Quebec)—Que. incorp. April 17, 1937. H. O. Montreal. Auth. cap. 145,000 shares, $1 par.

Mackey Mineral Exploration—Dom. incorp. March 31, 1937. H. O. Montreal. Auth. cap. 100,000 shares, n.p.v.

Mines Exploration Co.—Que. incorp. April 15, 1937. H. O. Montreal. Auth. cap. 275,000 shares, $1 par.

Vaneca Placers Ltd.—B. C. incorp. April 17, 1937. H. O. 404 Rogers Bldg., 470 Granville St., Vancouver, B.C. Auth. cap $15,000, divided into 1,500 class "A" ordinary shares, $1 par; 13,500 class "B" ordinary shares, $1 par.

Willow Creek Exploration—B. C. incorp. April 9, 1937. H. O. 901 Vancouver Block, 736 Granville St., Vancouver, B.C. Auth. cap. 20,000 shares, $1 par.

* * *

Charters Surrendered

Brazilian Gold Syndicate — By order of provincial secretary, Ontario, dated April 29 surrendered its charter as of May 1, 1937.

British Canadian Silver Corp.—Having ceased to do business in B. C., registration as an extra-provincial company has been cancelled as of April 5, 1937.

Grozell Kirkland Gold Mines—Was dissolved as and from April 30, 1937, the Provincial Secretary having directed cancellation of the charter by an order dated April 20, 1937.

Jackson-Manion Mines—Was dissolved as and from April 30, 1937, the Provincial Secretary having directed the cancellation of the charter as of April 19, 1937.

Jellicoe Gold Mining Co.—Has surrendered its charter as of April 19, 1937. Corporation was dissolved as and from April 30, 1937.

Langmuir Longlac Gold Mines—Has surrendered its charter and by order of the Provincial Secretary was dissolved as and from April 30, 1937.

Mecca Gold Mines—Has surrendered its charter as of April 19, 1937, and by order of the Provincial Secretary was dissolved as and from April 30, 1937.

Stabell Lake Gold Mines—By an order dated April 13, 1937, the Provincial Secretary has accepted the surrender of the charter of Stabell Lake Gold Mines.

Universal Exploration Syndicate—Has surrendered its charter and by order of the Provincial Secretary was dissolved as and from April 30, 1937.

* * *

Capital Increases

Phoenix Molybdenite Corp.—By supplementary letters patent dated April 19, 1937, has increased its capital from $1,000,000 to $2,000,000 by the creation of 1,000,000 additional shares, $1 par.

Kirkland Gateway Gold Mines—By letters patent issued April 3, 1937, has increased its capitalization from $2,000,000 to $3,000,000 by the creation of 1,000,000 additional shares of the par value of $1 each.

Kenland Gold Mines — Supplementary letters patent have been granted as of March 3, 1937, increasing capital form 3,000,000 shares, $1 par, to 4,000,000 shares, $1 par.

Kirkland Central Mining Co.—Has been issued supplementary letters patent as of Feb. 25, 1937, increasing the capital from 2,000,000 shares, $1 par to 3,000,000 shares, $1 par.

* * *

Change in Name

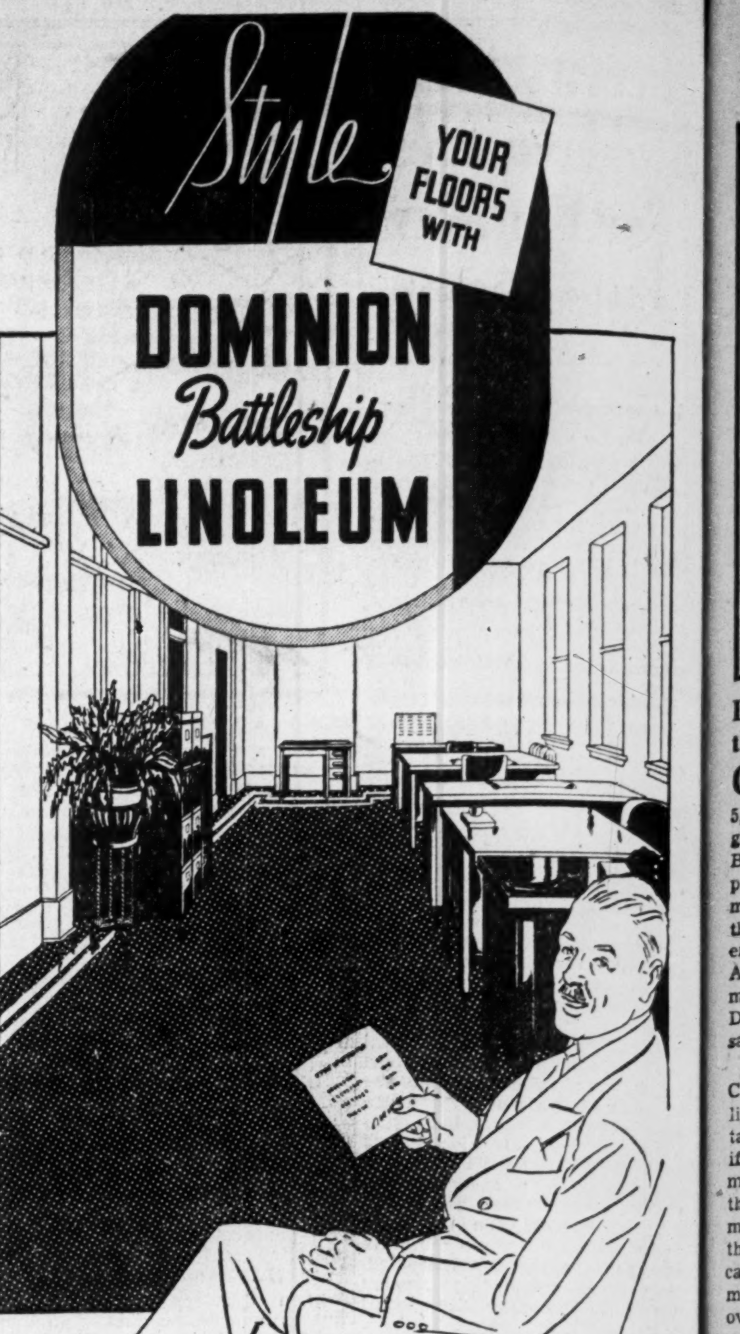
Demara Mines, Ltd.—Under supplementary letters patent dated April 2, 1937, has changed its name to Demara Gold Mines, Ltd.

Cannell Creek Mines—Will apply to the Registrar of Companies for British Columbia, as of May 29, 1937, for approval of a change of its name to Kirkenhead Mining Co.

Vulcan Oils Declares Dividend of 5 Cents

Vulcan Oils has declared a dividend of five cents per share on the issued capital stock of the company, payable June 15, 1937, to shareholders of record June 1, 1937.

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Beaupré, Que. — Sault Ste. Marie, Ont.
Sturgeon Falls, Ont. — Iroquois Falls, Ont.
Espanola, Ont. — Smooth Rock Falls, Ont.
Pine Falls, Man. — Fort William, Ont.
Daily Capacity 2,200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp



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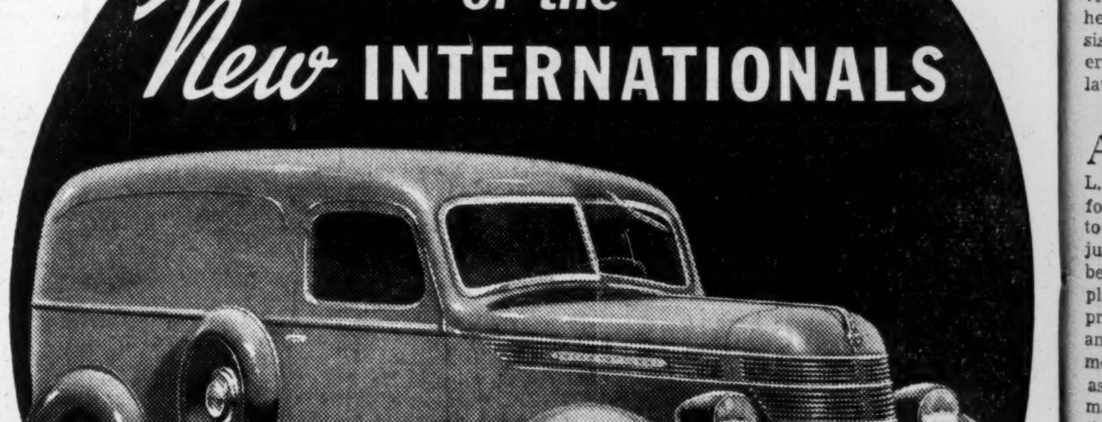

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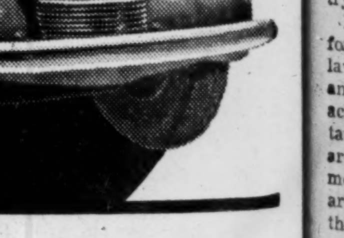

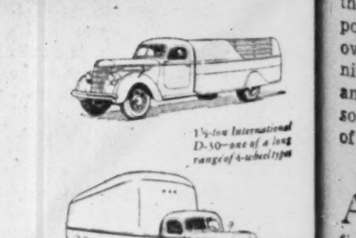

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